

Company Registration No. 2365487
Charity Registration No. 801571

The Brandon Trust

Annual report and consolidated financial statements

**For the Year Ended
31 March 2020**

Brandon
Live free
the learning disability charity



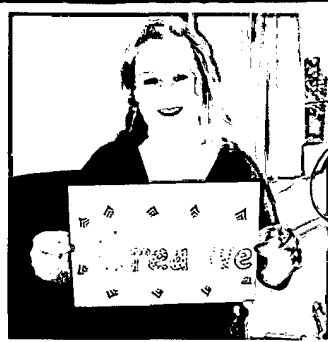
Brandon

Live free

the learning disability charity

Highlight Report and

Financial Statements



2019 - 2020

CONTENTS

Foreword from the Chair & Chief Executive	3
Director's Report	4
A year in numbers	6
Strategic Focus; Strengthening Foundations	7
Supporting Excellent Outcomes	8
Annual Survey Summary	10
Creating a Great Culture	12
Developing Our People	13
Flexible Teams, Familiar Faces	14
COVID-19	15
Reference & Administrative Information	16
Financial Performance & Results	17
Structure, Governance & Management	21
Directors' Statement in Accordance with S172(1) Companies Act	24
Statement of Directors' Responsibilities	26
Auditor's Report	27
Consolidated Statement of Financial Activities	30
Consolidated Balance Sheet	31
Trust Balance Sheet	32
Statement of Cash Flows and Consolidated Statement of Cash Flows	33
Notes to the Consolidated Statements	34

A quick note on this year's report...

Like many other plans, the outbreak of COVID-19, and subsequent lockdown, meant that we had to rethink our approach to this year's highlight report. Unlike other years, we weren't able to visit people to take photos and gather stories in person.

Instead, we asked people we support and staff to send in photos of themselves with a word that summed up how being well supported made them feel – either by their support team, or by us as an employer. We received some wonderful images in response and have featured as many as we can throughout this report.



FOREWORD – CHAIR & CHIEF EXECUTIVE



Jamie Pike – Chair, Board of Trustees

We are delighted to share with you our Highlight Report and Financial Statements for the financial year 2019/20. Never could we have imagined at the start of the year, that we would end it in the grip of a global pandemic.

It has always been a privilege to work in the social care sector, but never have we been more proud of everyone at Brandon for the incredible support they have provided throughout the year, to help the people we support live the lives they choose – to live free.

COVID-19 has challenged us all to find new ways of working and to keep people safe. During this time, our staff have gone above and beyond to continue to provide exceptional person-centred support and have worked flexibly to find innovative new ways of keeping people connected in their communities.

Similarly, we have adapted at pace to ensure our staff teams have been able to work remotely in support of the incredible efforts of our staff on the front line.

The work we are undertaking now will ensure that we are able to respond flexibly to meet people's needs and achieve the best possible outcomes for them in the future.



Sue Porto – Chief Executive

Throughout the year, we have continued to focus on developing an enabling culture and strengthening our foundations so that we look to the future, with renewed resilience and strength. The work we are undertaking now will ensure that we are able to respond flexibly to meet people's needs and achieve the best possible outcomes for them in the future.

Quality continues to sit at the heart of all we do, and we were delighted this year to receive an 'Outstanding' rating for our supported living services in Gloucestershire.

As you read through the pages that follow, I am sure that like us, you will be touched by the case studies and stories of people we support and how they feel about the support they receive from Brandon.

We are also pleased to report that we have been able to underpin high quality support with a solid financial performance, despite the ongoing funding challenges faced by our sector. This is down to the ongoing diligence and focus of staff in all areas, and will continue to be a critical priority for us.

All that remains is for us to thank you for your continued support of Brandon and we very much look forward to seeing you in the year ahead.

Jamie

Sue

DIRECTOR'S REPORT



The Directors present their annual report (incorporating the highlight report) and financial statements for the year ended 31 March 2020.

The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015, and the statutory requirements of the charity's Governing Document, in preparing the annual report and financial statements of the charity.

The Directors confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit, 'Charities and Public Benefit'.



ABOUT BRANDON



Brandon was formed in 1994 by the merger of the Buttress Trust and South Avon Housing Association.

Today, we are an independent charity, existing to enable over 1,600 children, young people and adults with a learning disability, autism or both to live life in the way they choose.

We do that by providing high-quality, person-centred support that focuses on enabling each individual to achieve their dreams and truly live free. This ranges from light-touch enabling services through to 24-hour support.

Headquartered in Bristol, we operate across the south of England and south Midlands, from London through Warwickshire to Cornwall.

Our support is designed and delivered by a team of staff and bank workers of over 2,000 and underpinned by set of strong core values. We are committed to working with the people we support, and those who surround them, to shape a future where every person with a learning disability will be empowered to live their life to its full potential.

Objects and Activities

Brandon's charitable purpose is 'to benefit the public by the provision of relief to those in need by reason of any form of learning, physical, or sensory disability or mental illness, this relief being provided by all forms of support to enable them to live the lives they choose, and in particular by support in the home, by support in the community and the work place, and by the provision of residential accommodation'.



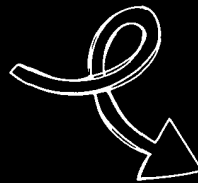
PURPOSE & BENEFIT

Brandon's core business is the provision of support services across the south of England and the Midlands to individuals with a learning disability, autism or both. Predominantly these are adults, but with some provision for children and young people. We provide supported living, accommodation with care and nursing, enabling support and a wide range of sessional, social and employment to adults and children with learning disabilities and autism.

We operate across most of the south west of England, Oxfordshire, Warwickshire and some London boroughs.

Our ethos is to support people to live as independently as possible and develop services that equip people to live in their own home. During 2019/20 we supported 1,639 individuals (2018/19 1,577) with a wide range of needs, including complex physical and health issues, mental health issues and autism.

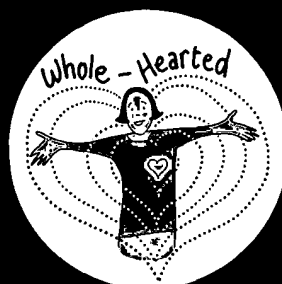
Our funding for core services is provided to ensure that the people we support can access our support in line with the identified needs and regardless of their financial circumstances. The additional activities and opportunities we provide are funded either directly by individuals or jointly with commissioners. In some cases, this is further supported by income from Brandon's enterprises and fundraising.



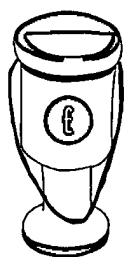
OUR VALUES



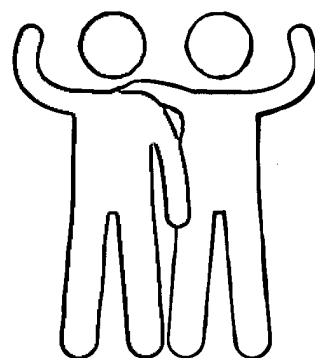
Our organisation has a clear set of core values, which underpin all we do. From interviewing prospective employees through our care plans to papers presented to our Board of Trustees, they are interwoven in our approach and behaviours.



A YEAR AT A GLANCE...



£45,000 IN GRANTS AWARDED
THROUGH OUR...
DREAM FUND



7 FANTASTIC FINALISTS AT
THE BRITISH CARE AWARDS
| BRANDON BAKE OFF



48

CULTURE
ROADSHOWS
TO LISTEN &
LEARN FROM
OUR COLLEAGUES

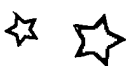
A TEAM OF **2,350**



OVER 20 PIGLETS BORN
AT OUR CARE FARM



STAFF, BANK WORKERS
& VOLUNTEERS



WE SUPPORTED

567

IN SUPPORTED
LIVING



SAFE

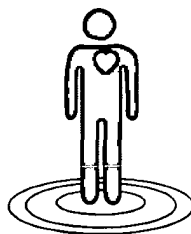
WE SUPPORTED 79 IN ACCOMMODATION WITH SUPPORT
IS THE WORD MOST USED BY FAMILY & FRIENDS
TO DESCRIBE THEIR RELATIVE/FRIEND'S HOME



WE SUPPORTED

268

CHILDREN &
FAMILIES



222

SUPPORTED

IN FLEXIBLE
SUPPORT

8

DRIVING UP QUALITY EVENTS



181

PEOPLE SUPPORTED IN
ENTERPRISES



155 PEOPLE SUPPORTED
IN DAY SERVICES



169 PEOPLE SUPPORTED IN RESPITE

STRATEGIC FOCUS: STRENGTHENING

OUR FOUNDATIONS

Valuing People, Making Lives Simpler

In September 2019, we began to implement our new strategy, **Valuing People, Making Lives Simpler**. We are referring to this as a foundation strategy as it is an 18 month plan, designed to create an operating environment that enables us to deliver quality support as effectively and flexibly as possible. The overarching objective is to ensure that we are able to focus as much resource as possible on achieving excellent outcomes for the people we support, both now and in the future.

Valuing People, Making Lives Simpler recognises the vital role that everyone in Brandon plays in helping the people we support to live the life they choose. We want to ensure that we continue to recruit, retain and value great people.

That isn't just about pay and reward, it's about creating a values-based culture where staff are empowered to take a person-centred, solution-focussed approach regardless of their role.

STRATEGIC PILLARS

- **Excellent outcomes for the people we support**
- **Attract & keep great people**
- **Efficient systems & processes**
- **Strong governance**



Effective and Flexible

We also want to improve the aspects of working life that waste time and cause frustration. By making people's working lives more straightforward, their time can be spent on the things that really matter. To achieve this, a major programme of work is underway to review and improve the systems and processes which underpin our business.

The final pillar of the strategy focusses on evolving our governance frameworks to ensure that we balance effective controls with the flexibility that allows us to empower our people and thrive.

Enabling Freedom

Ultimately, the work we do to strengthen our foundations now will enable us to support even more people to live free in the future.



SUPPORTING EXCELLENT OUTCOMES



QUALITY RATINGS



In 2019-20, 19 of our 22 registered support services were rated **Good** or **Outstanding**. Although still above the national average rating, this falls short of our goal of all our services being **Good** or **Outstanding**, and we have robust action plans in place for those that require improvement.

In August 2019, we were delighted to achieve an **Outstanding** rating for our Gloucestershire Supported Living Services, which supports over 100 people in their own homes.

INDEPENDENT & THRIVING

Once again during this year, we saw our support provision evolving, with the planned de-registration of three of our care homes.

Those changes brought about some poignant examples of how moves to more modern support models can offer great benefits to the people we support.

One of these came about as a result of the closure of one of our registered care homes, Gilbert Scott House, in Bristol in May 2019. A former resident, now in his fifties, has lived in care homes since the age of three. Along with another gentleman, he has moved to one of our newest supported living services in Weston-super-Mare.

Based on a 'core and cluster' model, his new home is made up of nine newly renovated, self-contained apartments with a central-hub which we staff 24/7.

Both gentlemen now have their own apartments and front doors for the first time in their lives. With their core and one-to-one support continuing as usual, they are thriving on their new independence.



Staff had set high standards for themselves and this promoted an exceptionally positive culture which challenged disability perceptions, improved the confidence of people and had very positive impacts on the lives of the people using the service.

CQC Report for Brandon –
Supported Living Gloucestershire

The staff make every day a party for me, which is my favourite thing to do.

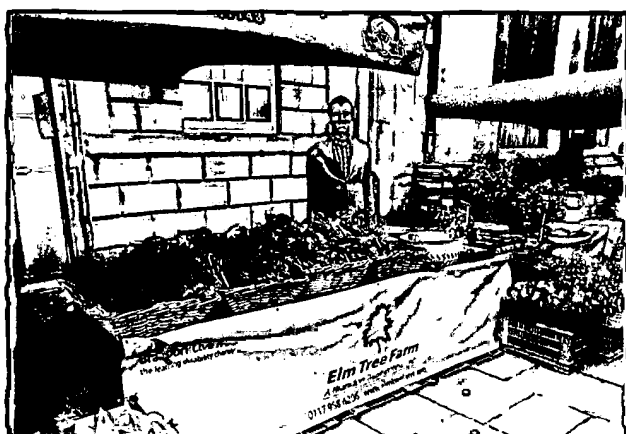


ENHANCING LIVES



A weekly spot at St Nicholas Market in Bristol provides a great opportunity for people supported at our enterprise Elm Tree Farm to sell the produce they have grown in the farm's market garden to the general public.

Not only is it a great way to acquire new skills, but it's proving to have a positive impact on the self-confidence and independence of the people we support. Kris's family (Kris is pictured below) have reported that his sessions at the farm and market have 'done him the power of good', and he is noticeably more confident, relaxed and able to cope with things that previously he would have found difficult.



FREEDOM - WITH FRIENDS!



Three young friends achieved a huge life goal when they were able to move into their own shared home this year. After spending three years studying and living together at Foxes Academy, Callum, James and Joe shared a post on social media asking for help finding a house. Their post went viral and was picked up by local media. Once the house was secured, they then appealed for support workers to 'help us be as independent as possible in our new home and support us in our quest for employment'. We are delighted to say that they chose Brandon to provide that support!

We asked them how that support made them feel and they said...

Joe: "really good because I like the staff and I like living with James and Callum because they make me laugh."

James: "unbelievable, I like living with Joe and Callum because it makes me feel confident and independent."

Callum: "fantastic because James and Joe are brilliant, and we have fun together."

I like living with Joe and Callum because it makes me feel confident and independent.

SURVEY RESULTS

Following feedback from people we support and families, our 2019 survey took a new approach. This is to make sure we gather feedback from lots of different people, who communicate in different ways and receive different kinds of support.

How did we involve people?

To make sure we heard from a wide range of people, we chose individuals at random, making sure we covered 10% of each of Brandon's areas.

79% of people we support feel they get to do their favourite things.

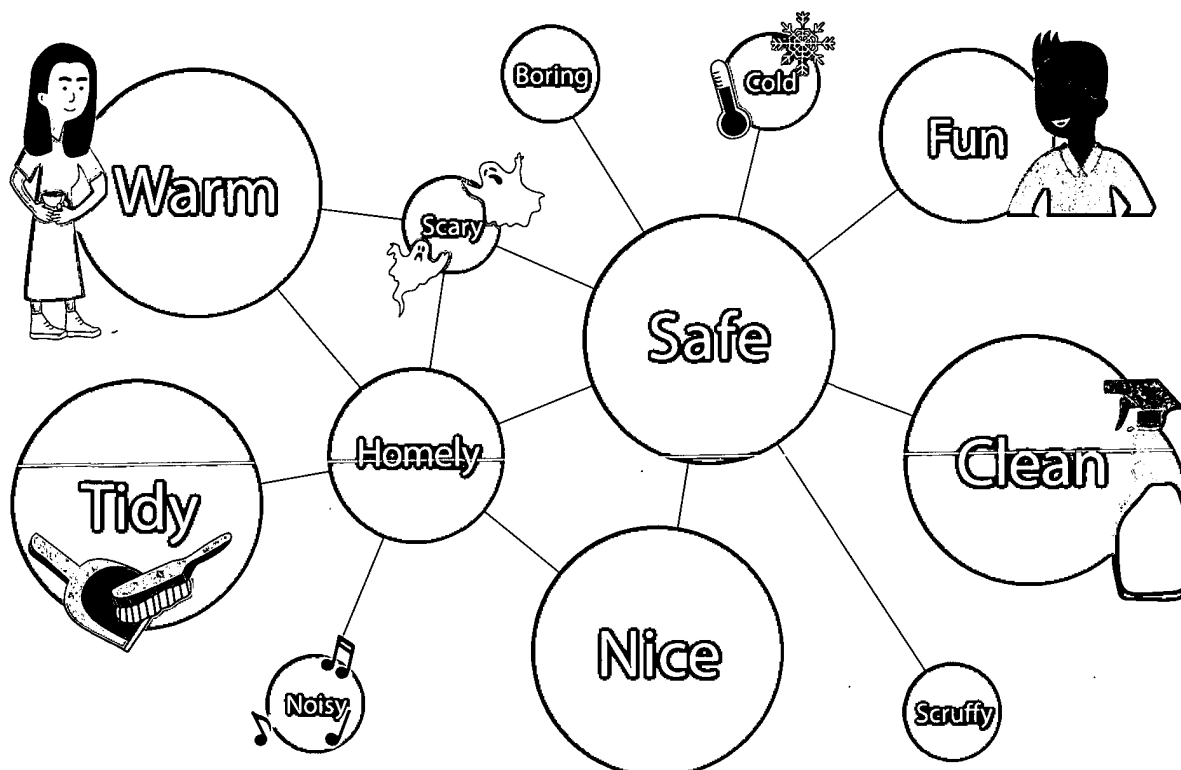
The top reasons they felt they didn't get to do their favourite things were:

- I don't know
- Not enough support hours

FAMILY & FRIENDS...

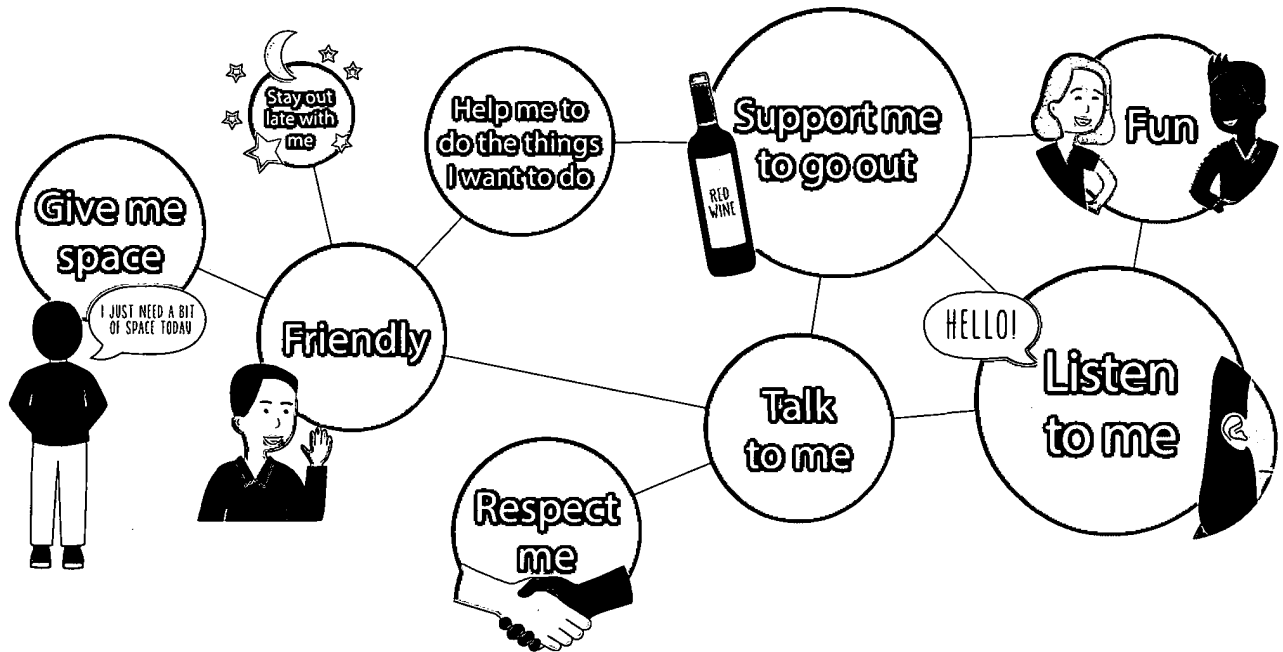
- **Feel their relative or friend is supported to stay healthy**
- **Would like to see faster recruitment processes and more stable support teams**
- **Would like Brandon to be clearer about our organisational structure**
- **Feel they have enough communication with our staff teams and us as a wider organisation**

THE PEOPLE WE SUPPORT DESCRIBE THEIR HOME AS...



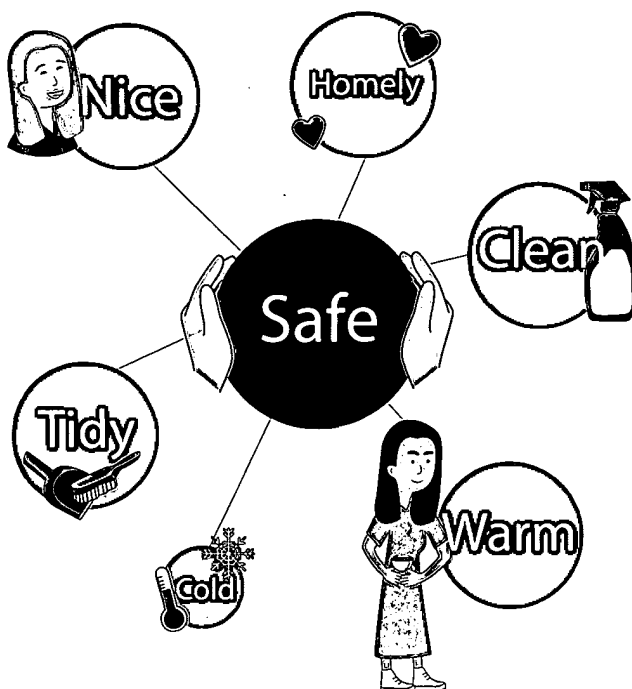
FOR THE PEOPLE WE SUPPORT, IT IS IMPORTANT THAT THE PEOPLE

SUPPORTING THEM...



FAMILY & FRIENDS DESCRIBE THEIR

FRIEND/RELATIVE'S HOME AS...



WHAT NEXT?

As a result of the survey, we will be specifically focusing on the following areas:

- Better equip our teams for outcome-based planning and finding solutions to everyday barriers.
- Create a consistent approach to support wherever people live.
- Make sure families have the information they need to get in touch with the people they need to.
- Continue to work to improve the efficiency of our recruitment processes and the areas of team stability that are within our control.

CREATING A GREAT CULTURE



Understanding which elements of our culture work well, and addressing those that could work better, is an essential part of us having an environment where the people we support achieve the best outcomes possible.

To help us do this, in June 2019, we undertook Brandon's first ever cultural survey.

Using the Barrett's Cultural Values Assessment model, we asked all staff to complete a confidential survey to tell us more about the values they felt were important to them, how they experienced Brandon's culture now and how they would like it to be in the future. Over 960 staff responded to the survey.

What's important to our people? ☆

The values that staff reported as being important to them personally aligned closely with our purpose.

Caring, honesty, compassion and making a difference were noted in the ten most common responses.

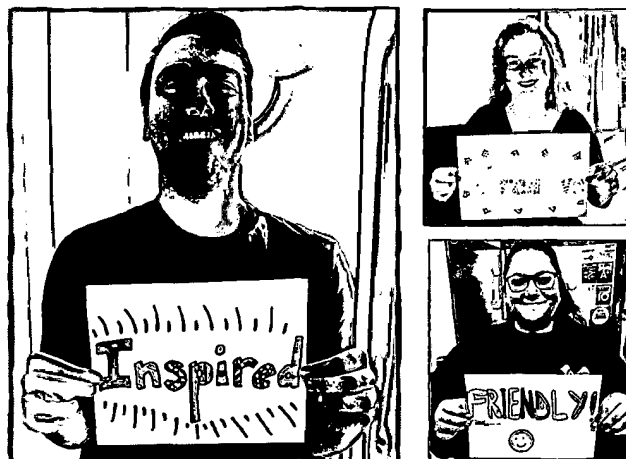
What our people feel about working at Brandon

Caring, person-centred, making a difference, teamwork and continuous learning were amongst the top ten responses to 'what's it like to work at Brandon now?'



What should we improve?

As well as these positive values, the results also confirmed areas for improvement, such as employee recognition, work/life balance and making sure that tasks were time-efficient.



Listening & Empowering

We followed up the survey with a series of 48 staff roadshows, offering every member of staff the opportunity to attend a 'town-hall' session with the Executive Leadership Team. Staff were encouraged to share their thoughts about things that they felt could be better, and suggest how we should go about improving them.

The results of the survey helped inform our **Valuing People, Making Life Simpler** (page 7) strategy, and the roadshows enabled us to refine the actions set out in the strategy.

Each area and back office team has now come up with a **cultural action plan**, led by their local **culture ambassadors** – members of staff from all levels of the organisation, from support workers through to Heads of Department.

The aim of the plans is to empower our people to inform, and take an active role in, the change they want to see.

Feedback from staff has been very positive so far and actions are well underway.

Our 2020 survey results will reflect our progress and we look forward to sharing these with you in next year's report!

DEVELOPING OUR PEOPLE



Launched in 2018, 2019-20 saw the first full year of our Leadership Development Programme. The programme, designed and developed by our in-house Learning & Development team, combines training, mentoring, self-awareness, qualifications, and a way to understand how leadership impacts on our teams.

The programme takes a tailored approach and, following initial discussions and assessments, each participant has a personal leadership pathway built for them. There are a menu of modules available, including **Good Communication, Leading Effective Teams, Wellbeing, Finance, Performance and Conduct, Coaching and Time Management.**

360 feedback and C-Me Behaviour Profiling tools are used to enable participants to gain a better understanding of their management styles, strengths and areas for development. In-house coaches, facilitated action learning and mentors are also available as an additional layer of support.



During 2019-20, 94 emerging leaders were supported through the programme, including 69 of our support service team leaders.

Feedback has been very positive, with 94% of people saying their 360

Feedback reports helped them find areas for development. 62% now have a better understanding of other peoples behaviours, thanks to the C-Me Behaviour Profiling tool activity.



Taking part in the leadership programme gave me the confidence to take on a secondment as a Locality Manager. It has also given me the time to reflect on my strengths and areas I need to improve. Having been on this journey it has meant that I also had the confidence to take on a level 5 qualification.

Stepping up with confidence

Reports from senior managers show that there is a marked increase in team leaders showing the skills and confidence they need to support their staff to perform well.

Importantly, we are also seeing participants develop in their own careers, for example, making the step up from Team Leader to Registered Manager.

Happy, skilled and engaged staff, with drive and vision for the work they do every day, make a huge difference to the lives of people we support.

Debbie - Learning & Development Team

FLEXIBLE TEAMS, FAMILIAR FACES



Simplifying our systems

We want to do everything that we can to ensure that our staff are able to spend as much time as possible focussing on the people we support.

Of course, there will still be administrative tasks, but we want to make these as simple and time-effective as possible. To turn this into a reality, work is underway to review and improve our business systems and processes.

A priority area for us is digital rostering, and in early 2020 we began work on a project to develop this capability. Effective rostering has a huge benefit for us as a business and will play a critical role in reducing unnecessary use of agency staff.



Most importantly, having the means to deploy our staff and bank workers quickly and flexibly has an immediate benefit to people we support. It will provide greater consistency in the staff teams, which is something they have told us is really important to them.

In line with feedback from staff, we are involving operational teams at every stage of system development and implementation to ensure that it adds real value to colleagues at every level of the organisation.



Connectivity for all

In order to successfully roll out digital systems, we also need to ensure that people can reliably and confidently connect to them.

This doesn't just mean our staff – we are also considering how we can do more to digitally enable the people we support.

As well as looking at how they can interact with new Brandon systems, we want to make sure that they can connect with family members, browse for their own holidays online, stream films and play the music they enjoy.

One way we're doing this is working to provide guest internet access in every home where it is in place for staff use – and where the people we support would like it.

We are also reaching out to our technology partners. A wonderful example of this in action was a donation of over 100 tablet devices for people we support in March 2020 by our partner CHG-Meridian.

These have made a huge difference to some of the people we support in the early stages of COVID-19 lockdown who otherwise would have struggled to communicate 'face to face' with their loved ones. The benefits will continue to be reaped long after restrictions have eased.

The tablet donated to Giles has gone down a storm. He's currently doing puzzles and colouring. We're looking at other apps including online shopping, that will enhance his life.

COVID-19



The end of the financial year saw the way we all live and work change beyond anything we could have predicted only months before. COVID-19 was declared a global pandemic by the World Health Organisation on 11th March 2020 and within a fortnight, the UK government had put lockdown measures in place to limit transmission of the virus.

Like every other organisation providing critical social care, Brandon had to act quickly and robustly to keep the people we support and our staff safe and well.

We also had to adapt to new ways of working overnight, as offices closed and staff were required to work from home wherever they could.

We read, disseminated and actioned evolving government guidance on a daily basis. We worked closely with our commissioners to make sure that local approaches were joined up. Equipment was procured, policies were adapted and processes changed so we were able to respond flexibly and appropriately to the unprecedented circumstances we found ourselves in.

As always, at the heart of all of these actions, were the people we support. Keeping them safe and well had to be our priority. Our staff teams stepped up and went above and beyond from the start.



Each day saw more stories of how colleagues had gone the extra mile to ensure that people not only stayed safe, but thrived, from dance offs, to garden cafes – even creating a ‘charity shop’ in a summer house!

Ian is not just coping but thriving, and it's a delight and privilege to support him.

Karen – Team Leader

THE FUTURE

As we write this report, restrictions are easing but we know that COVID-19 is likely to still impact our lives for months to come and some of our old norms are likely to be gone forever.

As well as continuing to respond to the immediate threat of the virus, we will be actively learning from both the challenges and successes that it has brought about, to make us even stronger for the future.



REFERENCE & ADMINISTRATIVE INFORMATION

Directors / Trustees

J D Adams	
N P B Bullman	Appointed 1 September 2019, resigned 8 May 2020
B P Dean	Resigned 31 December 2019.
M J Floate	
M Glinwood	Appointed 1 June 2019
D Huf	Appointed 1 June 2019
C P R Mahood	
H E Marsden	
M J Mohan	
J R P Pike (Chair)	Appointed 19 June 2020
C A Pugh	Resigned 21 June 2019
A Quinlivan	Appointed 1 June 2019, resigned 14 May 2020
H P Sandilands	
W A Wright	Resigned 26 May 2020

Secretary	J C Eastwood	Resigned 27 June 2019
	S Potts	Appointed 28 June 2019
		Resigned 22 November 2019
	B J McGinn	Appointed 22 November 2019

Company number 2365487

Charity number 801571

Registered office Olympus House, Britannia Road, Patchway, Bristol BS34 5TA

Executive Leadership Team

S Porto	Chief Executive
S Potts	Director of Finance & Governance – Appointed 19 Mar 19, resigned 22 Nov 19
B J McGinn	Director of Finance & Governance – Appointed 22 Nov 19
T Abbott	Director of Operations (Care & Support)
A Kingscott	Director of People and Organisational Development – (Interim) Resigned 31 May 19
G Thomas	Director of People and Organisational Development – Appointed 3 June 19.

Auditors Crowe U.K. LLP, Carrick House, Lypiatt Road, Cheltenham GL50 2QJ

Bankers National Westminster Bank, 32 Corn Street, Bristol BS1 1HQ

Investment Fund Managers CCLA Investment Management Ltd, 85 Queen Victoria Street, London EC4V 4ET

Solicitors Anthony Collins Solicitors, 134 Edmund Street, Birmingham B3 2ES
 TLT Solicitors, One Redcliff Street, Bristol BS1 6TP
 Trowers Hamlin, Sceptre Court 40 Tower Hill, London EC3N 4DX

FINANCIAL PERFORMANCE & RESULTS

2019-2020

The surplus for the year from operating activities (net income/(expenditure)) from unrestricted funds before pension movements and transfers) was £1,616,655 (2018/19: £2,096,472). The focus for this year was continued stability following improvement in the financial position during the previous year. Profitability was maintained despite downward pressure on Local Authority budgets through:

- Negotiating uplifts with commissioners, including funding agency costs in areas where unemployment is low, and recruitment is difficult.
- Increased levels of focus and support for our recruitment and retention activities – increasing establishment levels and cutting back on temporary labour of all types.
- New business including significant new business in Oxfordshire.
- Increased levels of focus and support for our recruitment and retention activities – increasing establishment levels and cutting back on temporary labour of all types.

Principal incoming funding is from Local Authorities to support the delivery of accommodation with care, supported living and work, learning and leisure services. The net income before other gains and losses, but after transfers, was £1,346,206 (2018/19: £1,997,011), which is broken down below:

	FY19/20	FY18/19
Unrestricted funds	£1,616,655	£2,096,472
Pensions	(£6,000)	(£11,000)
Restricted funds	(£264,449)	(£88,461)
Total	£1,346,206	£1,997,011

Segmental Reporting

In line with our continued strategic journey towards increased choice and control for people with learning disabilities, Supported Living services continue to rise:

	FY 19/20	FY 18/19
Accommodation with care	15%	16%
Supported living	76%	74%
Other funds	9%	10%
Total	100%	100%



Reserves and Going Concern

The Unrestricted reserves position (excluding pension reserve) is summarised below:

	FY 19/20	FY 18/19
B/F Unrestricted reserves	£14,678,972	£12,582,500
Current year surplus / (deficit)	£1,616,655	£2,096,472
C/F Unrestricted reserves	£16,295,627	£14,678,972

Revaluation reserves included in above C/F value	£1,688,924	£1,941,071
Designated reserves included in above C/F value	£20,145	£17,793

And after adding restricted and pension reserves:

	FY 19/20	FY 18/19
C/F Unrestricted reserves	£16,295,627	£14,687,972
C/F Restricted reserves	£1,611,944	£1,876,393
C/F Pensions reserve	(£208,000)	(£226,000)
C/F Total reserves	£17,699,571	£16,329,365

During the year Brandon's general reserves (excluding revaluation and designated reserves) increased from £12,720,108 to £14,586,558 (see note 13).

Of this, free reserves (unrestricted funds excluding pension fund reserve – adjusted for tangible and intangible assets) amounted to £13,691,556 (2018/19: £11,700,094).

While the reserve policy excludes the FRS102 pension liability, the Directors are satisfied that this liability could be met if it crystallised in the short term and the Trust would remain a going concern.

The Directors' reserves policy is based on a risk management strategy that considers a range of individual elements of the organisation's risk profile, each with associated value ranges. The most recent assessment of reserve levels against the risk profile has determined that the current minimum free reserves target is £6,850,000. The Directors consider that in assessing the current level of reserves together with financial modelling and risk assessments, that Brandon is a going concern.

Recognising the continued difficult financial climate that the Trust operates in, the Audit Committee will review the reserves policy and the risk profile on an annual basis. In considering the going concern status of the charity, the Directors have considered the recent ruling on overnight workers, which is explained in note 22.

Retirement Benefits

Accounting standards require that the movement in the deficit on the Avon Pension Fund defined benefit scheme along with the Gloucestershire Pension Fund defined benefit scheme be shown as part of the results for the year. The overall net pensions deficit at 31 March 2020 of (£806,000) (2018/19: (£822,000)) that appears in the Brandon accounts is made up as follows:

	Avon Pension Fund	Glos Pension Fund	Total
Opening (deficit)	(£596,000)	(£226,000)	(£822,000)
Change in Year	(£2,000)	£18,000	16,000
Closing (deficit)	(£598,000)	(£208,000)	(£806,000)
Pension reimbursement asset recognised	£598,000	Nil	£598,000

Avon

Under the terms of the agreement with North Somerset Council for Day Services pension liabilities arising at the end of the contract revert to the Council. As such a pension asset continues to be recognised by Brandon equal to that of the pension liability of the scheme.

Investment Policy

The primary aims of Brandon's investment policy are:

- Protect reserves against inflation and maintain the real capital value of the portfolio over the longer term;
- To make a net (post fees) returns in excess of that which could be achieved by cash deposit investments;
- Combining these two factors, to make a total real return of at least RPI plus 3% per annum.

The charity has continued to invest free reserves in a 'managed fund' with CCLA and has reviewed and adopted their ethical investment policy in selecting the appropriate Investment fund. The policy is consistent with the aims of the organisation.

	Investment made	Value at March 2012	Investment Gain/(Loss)	12 months Gain/(Loss) %
Tranche 1 - Jan 2016	£1,000,000	-	-	-
Tranche 2 - Jun 2016	£200,000	-	-	-
Tranche 3 - Jul 2018	£1,500,000	-	-	-
Total	£2,700,000	£3,310,041	(£970)	0%

The charity was satisfied that the returns would normally exceed the objectives of the investment policy and this was certainly the case until the end of the year when the markets were severely impacted due to the impact of COVID. During this difficult period ongoing performance of the fund has been closely monitored by the audit committee. The rest of Brandon's free reserves are managed via a treasury management policy which invests surplus funds in short term deposits which can be accessed readily.

Modern Slavery and Human Trafficking Statement

Brandon recognises its responsibility to prevent slavery and human trafficking in our corporate activities, and to ensure that our supply chains are free from slavery and human trafficking.

The charity has in place a Trustee approved Statement which sets out its actions to identify, understand and eradicate this risk. The statement highlights risk assessments done to establish which elements of our supply chain are most at risk from modern slavery. These higher-risk supply chain areas have been identified as:

- Agency staff providers,
- IT equipment and service providers,
- Property landlords; and,
- Building, cleaning, maintenance contractors.

Brandon's Board of Directors have approved a series of enhanced organisational controls and policies to specifically address Modern Slavery risks, including:

- Recruitment Policy
- Procurement Policy
- Whistleblowing Policy.

Risk Management

The Board's Risk Management Policy is to examine the major risks that the charity faces each financial year and to ensure that there are measures in place to monitor and control these risks and to mitigate any impact that they may have in the future. We place a key emphasis on assurance, particularly external assurance (third line of defence model) to effectively manage risk.

The key risks and strategies are highlighted below:

Principle risks and uncertainties	Strategic plans to manage risk
Brandon is unable to retain a suitably skilled workforce	Developing effective strategies to manage staff turnover, recruitment, sickness and retention.
A lack of modern integrated systems compromises our ability to function effectively and efficiently	Investment in a new systems development team and greater strategic focus on internal system improvement, systems technology and data security. This includes a new information management service for people that we support.
Compliance Risk	Continuous improvements in our systems of controls and the quality of our service delivery. This will be reflected in a new Governance framework, which is currently under development.
Financial stability	Refreshing financial strategies to manage service margins, and new business tendering.
Sleeping Night liability from MENCAP judgement	Refer to note 22. The risk has been assessed by the Trust.

STRUCTURE, GOVERNANCE

& MANAGEMENT

Trust and Group Structure

Brandon Trust was incorporated as a charitable company limited by guarantee in 2001. The company's constitution - its memorandum and articles of association – were replaced on 10 March 2010 and have since been amended on 17 March 2010, 3 August 2012, 17 June 2013, and 14 January 2015. The resulting memorandum and articles have, among other things, been amended to reflect key changes made by the Companies Act 2006.

Brandon has a wholly owned subsidiary, Odyssey Care Ltd, acquired on 20 April 2011 (see note 8 to the accounts). All of the trading activities and the assets and liabilities of Odyssey Care Ltd are now transferred to Brandon Trust and are operated as Brandon's 'London' area. Odyssey Care Ltd retains ownership and reports on 2 properties in Croydon, including the 100% NHS Properties grant attached to them.

Governance and Management

The charity is administered by a Board of Directors who meet no less than quarterly. They are responsible for setting the strategy of the charity, scrutinising and monitoring its operations in pursuit of that strategy, safeguarding its assets, and values, and supporting its work. The Board has the following sub-committees, each with specific terms of reference:

- Governance & Nominations Committee – meets no less than bi-annually.
- Audit Committee – meets no less than quarterly.
- HR Committee – meets no less than quarterly.
- Fundraising, Marketing & Communications Committee - meets no less than quarterly.

Brandon's day-to-day operation and management is delegated to the Executive Management Team, led by the Chief Executive.

Election, Recruitment and Training of Directors

Under the Code of Governance adopted by the Directors, no Director can serve for longer than six years from the date of appointment. At the end of a three-year term of office a Director is eligible for reappointment by the Board for a maximum of one further period of three years. New Directors are actively recruited via a recruitment, application and interview process managed by the Governance and Nominations Committee (GNC) and bring a range of specialist experience and expertise to the Board.

Directors are appointed by a majority vote and all new Directors undergo a tailored induction and training programme designed to ensure that they have the understanding and skills to fulfil the role of the Trustee under charity and company law. There is a regular skills audit of Directors to ensure that training needs are addressed, along with an annual review of Board and Chair's performance. Directors are committed to visiting three services each year, to meet staff and gain a genuine understanding and insight into the support that Brandon provides and the difference that we make to people's lives.

Related Parties and Co-operation with Other Organisations

None of the Directors received remuneration or benefit from their work with the charity. Any connection between a Director/senior manager and organisations with which the charity engages must be disclosed to Trustees in the same way as any other contractual relationship with a third party. In the current year no such related party transactions were reported.

Setting Pay and Reward for Management

The Executive Leadership Team (ELT) are charged with leading and managing the charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of director's expenses are disclosed in note 3 to the financial statements.

The pay of the Chief Executive is reviewed periodically by the Board, with ELT pay reviewed by the Chief Executive and Board. The Trust uses market data to benchmark pay levels throughout Brandon against similar organisations, and together with affordability, determine appropriate levels for the ELT and all pay grades throughout the organisation.

Disabled Persons and Equal Opportunities

Brandon has an equality policy alongside our commitment to the 'Positive about Disability' accreditation. Disabled people are recruited into suitable posts.

Assistance is always given and, where possible, adjustments made to enable people to retain their employment and to access training. The charity employs a number of people with a learning disability and has an accessible pre-employment process and related documentation.

The charity's disabled employees and other disabled people make extensive input into our training programme, including inducting new staff.

Fundraising

Brandon is registered with the Fundraising Regulator and we follow their Code of Fundraising Practice to ensure our fundraising activities meet best practice standards. We do not use professional fundraisers or commercial participators.

We received no complaints about our fundraising activities during 2019/20. To ensure that we are protecting vulnerable people and others from unreasonable intrusion on their privacy, unreasonably persistent approaches or undue pressure to give, we have:

- Followed robust processes for updating records of consent.
- Limited postal contact to a maximum of two per active donor during the year.
- Have only emailed those who have given us permission to do so.
- We have not undertaken any telephone fundraising activity during the year.

Charity Governance Code

Brandon has adopted and regards itself as compliant with the Charity Governance Code, including the seven principles of organisational purpose, leadership, integrity, decision making risk & control, board effectiveness, diversity and openness and accountability.

Carbon Reporting

Brandon recognises its environmental responsibilities and has adopted the environmental reporting guidelines for the year ended 31 March 2020.

We have assessed our annual energy consumed in Kilowatt Hours (KWH) and used the government conversion factors from the website below to calculate the number of Tonnes of CO2 emitted for both the year ended 31 March 2020 and the year ended 31 March 2019.

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018>

	2019/20 KWH	2018/19 KWH	2019/20 Tonnes CO2	2018/19 Tonnes CO2
Electricity	702,407	686,969	199	194
Gas	1,611,475	1,617,912	297	298
Oil	102,303	76,792	27	21
Transport	861,138	766,931	201	179
Total	3,277,323	3,148,604	725	692
Average per FTE employee (note 3)	2,173	2,152	0.48	0.47

The basis of calculation for the measures above are as follows

The data for 2019/20 has been produced from an analysis of the Kilowatt Hours(KWH) used during the year by service for each type of utility. Transport costs are based on the total vehicle mileage claimed during the converted, using average mileage rates and the conversion factors above.

The data for 2018/19 uses Brandon's ESOS energy report which is a requirement for all large companies under article 8 of the 2012 Energy Efficiency directive. The aim of this report is to encourage energy efficiency with the aim of helping the European Union reach its energy efficiency targets. The report was produced by energy consultants based on an audit of sample data based on recorded consumption between 1st January 2018 and 31 December 2018. There were no significant changes between this period and 31 March 2019, and the Directors consider that this is a fair approximation of consumption for the year ended 31 March 19 and forms the base year for measurement of consumption for the utilities. Transport costs were assessed based on mileage claimed during the year ended 31 March 2019.

Key areas for improvement identified by Brandon from this report are:

- Upgrades to lighting across its properties including lighting control.
- Improved staff engagement regarding energy consumption.
- Greater use of remote meetings and communication solutions to reduce travel requirements.

The Trust has adopted the Key performance indicator of energy consumption per average FTE. Brandon's key activities are driven by the level of support required for individuals with learning difficulties, which directly drives the number of employees and the consumption of energy by its employees. As such the energy consumed by the average number of employees during the year ensures that the impact on consumption is reflective of movements in the scale of operations.

DIRECTORS' STATEMENT IN ACCORDANCE

WITH S172(1) COMPANIES ACT 2006

S172(1) of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Trustees who are the Directors for the purposes of the Companies Act have a duty with regards to the interests of the people we support, Brandon's employees and other stakeholders, including an evaluation of the impact of its activities on the community, the environment and Brandon's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the charitable company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the Board engages with our stakeholders.

Principal Stakeholders

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and by direct engagement with stakeholders themselves. The long-term impact of our strategic decisions has been considered in arriving at our strategy document on page 7.

The Interests of People We Support

Our ethos is to support people to live as independently as possible and develop services which equip them to live in their own homes. As set out on strategy on page 7, **Valuing People, Making Life Simpler** for them is one of the key pillars of our foundation strategy. This is reflected in our survey of people we support, families and other key stakeholders on page 10.

The Interests of the Company's Employees

On page 7, Brandon has established the attraction and retention of great people as one of the key pillars of its strategy. The health, safety and well-being of our employees is one of the primary considerations. We have engaged staff extensively in the development of our continued improvement plan. This has involved; 'Listen and Learn' sessions for the Executive Leadership Team with each area, engaging staff in the development of our current strategy **Valuing People, Making Life Simpler** and a cultural survey which received responses from over half (53%) of our staff (see page 12).

We also regularly engage with union representatives through our Joint Forum on all matters affecting the work of our employees. Brandon's strategy includes a training and development programme for staff, including the launch of the leadership development programme during the year. We aim to be a responsible employer in our approach to the pay and benefits that our employees receive.

The Interests of Our Suppliers

We have a procurement team who work with our suppliers across the business. We work with them to help drive change through innovation, while working with them to ensure that they reflect the same values and behaviours that we expect from our own people. During the year, the Board reviewed our Modern Slavery and Human Trafficking Statement which sets out the steps taken to prevent modern slavery in our business and supply chains. For more information, refer to page 20. The Board has oversight of the procurement and contract management process and receives regular updates on matters of significance and the approval of large contracts.

The Impact of Brandon's Operations on the Community and Environment

Brandon's services are key partners to Local Government and operate throughout the local community. The impact of services on the local community and environmental considerations are a key consideration in operational decisions. Brandon is a member of key national groups including the National Care Forum and the Voluntary Organisations Disability Group and seeks to influence and improve social care provision, the quality of life, choice control and wellbeing of people using care services.

Quality and Standards

We believe that it is vital that we are trusted by our stakeholders and therefore we seek to maintain high standard in all that we do.

We report openly on our performance to the Charity Commission and the Care Quality Commission, who assess the services that we provide. Our audit committee receives regular reports from our auditors, quality and health and safety teams and this provides assurance to the Board in relation to the way that the company conducts itself.

We operate a code of ethics which operates across the business, covering conflicts of interest, our expectations for conduct in the workplace, workplace confidentiality and our whistleblowing policy. E-learning is provided as appropriate.

The Board has a low appetite for reputational risk and the reputational impact of decisions made by the Directors is always considered.

STATEMENT OF DIRECTORS'

RESPONSIBILITIES

The directors are responsible for preparing the Directors' Annual Report (and the incorporated strategic report) and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). The sections containing Financial Performance, Risk Management, Achievements comprise the Strategic Report for the purposes of the companies legislation.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

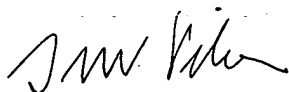
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of information to the Auditor

1. so far as the Directors are aware, there is no relevant audit information of which the Trust's auditor is unaware, and
2. the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

The Directors' Report (incorporating the Strategic Report) were approved by the Board on 18 September 2020 and signed on its behalf by:



Jamie Pike
Chair of the Board of Trustees

AUDITOR'S REPORT

Opinion

We have audited the financial statements of The Brandon Trust for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Trust Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of 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 Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure 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 the 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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

AUDITOR'S REPORT CONT...

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.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes 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 trustees' report have been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement on page 26, the trustees (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 trustees 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 trustees are responsible for assessing the group's or 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 trustees 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

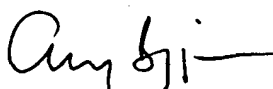
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



Guy Biggin (Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP (Statutory Auditor)
Carrick House, Lypiatt Road
Cheltenham GL50 2QJ

Date: 23 September 2020

CONSOLIDATED STATEMENT OF

FINANCIAL ACTIVITIES

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) For the year ended 31 March 2020

	Notes	Unrestricted Funds	Unrestricted Pensions Reserve	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£	£
Income						
Donations and Legacies		16,818	-	122,006	138,824	217,661
Income from charitable activities:						
Fees for Accommodation with Care Services		8,052,026	-	-	8,052,026	8,184,919
Fees for Work, Learning and Leisure		5,074,921	-	-	5,074,921	5,082,278
Fees for Supported Living Services		41,599,552	-	-	41,599,552	38,304,880
Income from other trading activities:						
Charity Shops		285,404	-	-	285,404	270,114
Investment income		42,323	-	-	42,323	28,023
Other income		64,883	-	-	64,883	27,833
Total income		55,135,927	-	122,006	55,257,933	52,115,708
Expenditure						
Expenditure on raising funds:						
Charity shop expenditure		267,123	-	-	267,123	276,640
Expenditure on charitable activities:						
Accommodation with Care Services Costs		7,843,300	849	34,541	7,878,690	7,611,930
Work, Learning & Leisure Costs		5,007,363	607	-	5,007,970	4,894,966
Fees for Supported Living Services		40,400,516	4,544	-	40,405,060	37,419,352
Other expenditure in the deployment of grants and donations received		-	-	351,914	351,914	161,919
Total expenditure	2	53,518,302	6,000	386,455	53,910,757	50,364,807
Net (loss)/gain on investments	7	(970)	-	-	(970)	246,110
Net income/(expenditure) before other gains and losses		1,616,655	(6,000)	(264,449)	1,346,206	1,997,011
Other Recognised Gains/(Losses)						
Pension schemes actuarial (loss)/gain	18	-	71,000	-	71,000	(133,000)
Remeasurement of reimbursement asset	18	-	(47,000)	-	(47,000)	69,000
Net movement in funds		1,616,655	18,000	(264,449)	1,370,206	1,933,011
Balances brought forward at 1 April		14,678,972	(226,000)	1,876,393	16,329,365	14,396,354
Balances carried forward at 31 March	12/13	16,295,627	(208,000)	1,611,944	17,699,571	16,329,365

Prior year comparatives by fund are included in note 23 to the financial statements.

The surplus for the year for Companies Act purposes comprises the net income/(expenditure) for the year and was £1,346,206 (2019: £1,997,111).

CONSOLIDATED BALANCE SHEET

Consolidated Balance sheet
As at 31 March 2020

Registered company number 02365487

	Notes	£	2020 £	£	2019 £
Fixed Assets					
Intangible Assets	5		131,406		71,315
Tangible assets	6		3,962,460		4,431,899
Investments	7		3,310,041		3,311,011
Total Fixed assets			<u>7,403,907</u>		<u>7,814,225</u>
Current assets					
Debtors due within one year	9	5,806,589		7,093,522	
Debtors due after more than one year	9	598,000		596,000	
Cash at bank and in hand	16	8,372,711		5,728,793	
Total current assets			<u>14,777,300</u>	<u>13,418,315</u>	
Creditors: amounts falling due within one year	10	(3,675,636)		(4,081,175)	
Net current assets			<u>11,101,664</u>	<u>9,337,140</u>	
Total assets less current liabilities			<u>18,505,571</u>	<u>17,151,365</u>	
Pension scheme liability	18	(806,000)		(822,000)	
Net assets including pension liability			<u>17,699,571</u>	<u>16,329,365</u>	
Funds of the group					
Restricted funds (excluding revaluation reserve)	12		624,649		854,557
Restricted revaluation reserve	12		987,295		1,021,836
			<u>1,611,944</u>		<u>1,876,393</u>
Unrestricted funds - Revaluation reserve	13		1,688,924		1,941,071
- General and Designated reserves	13		14,606,703		12,737,901
- Pension fund reserve	18		(208,000)		(226,000)
Total consolidated group funds including deficit on Pension Scheme Reserve	14		<u>17,699,571</u>	<u>16,329,365</u>	

The consolidated financial statements were approved and authorised for issue by the Board of Trustees on 18 September 2020 and signed on its behalf by:



J Pike - Director



TRUST BALANCE SHEET

Trust Balance sheet
As at 31 March 2020

Registered company number 02365487

	Notes	£	2020 £	£	2019 £
Fixed Assets					
Intangible assets	5		131,406		71,315
Tangible assets	6		2,975,165		3,410,063
Investment in subsidiary	8		1,125,459		1,125,459
Investments	7		3,310,041		3,311,011
Total Fixed assets			7,542,071		7,917,848
Current assets					
Debtors due within one year	9	5,806,589		7,093,522	
Debtors due after more than one year	9	598,000		596,000	
Cash at bank and in hand	16	8,372,711		5,728,793	
Total Current Assets			14,777,300		13,418,315
Creditors: amounts falling due within one year	10	(3,675,636)		(4,081,175)	
Net current assets			11,101,664		9,337,140
Total assets less current liabilities			18,643,735		17,254,988
Pension scheme liability	18	(806,000)		(822,000)	
Net assets			17,837,735		16,432,988
Funds of the charity					
Restricted funds (excluding revaluation reserve)	12		624,649		854,557
Restricted Revaluation reserve	12		1,125,459		1,125,459
			1,750,108		1,980,016
Unrestricted funds - Revaluation reserve	13		1,688,924		1,941,071
- General & Designated reserves	13		14,606,703		12,737,901
- Pension fund reserve	18		(208,000)		(226,000)
Total charity funds	14		17,837,735		16,432,988

The Trust's surplus for the year was £1,380,747 (2019:£2,091,652). This surplus is before other gains/(losses) of £24,000 (2019:£64,000).

The consolidated financial statements were approved and authorised for issue by the Board of Trustees on 18 September 2020 and signed on its behalf by:



J Pike - Director

CONSOLIDATED STATEMENT OF

CASH FLOWS

Consolidated Statement of Cash Flows for the year ended 31 March 2020

	Note	2020 Group £	2019 Group £
Operating activities			
Cash generated from operations	15	2,782,118	1,681,443
Investing activities			
Purchase of tangible fixed assets	6	(84,517)	(106,906)
Purchase of Intangible fixed assets	5	(96,506)	(45,572)
Purchase of Investments	7	-	(1,500,000)
Receipts from sales of tangible assets		500	2,306
Interest received		42,323	28,023
Net cash (used in) investing activities		(138,200)	(1,622,149)
Net Increase/ in cash and cash equivalents	17	2,643,918	59,294
Cash and Cash equivalents at beginning of the year	17	5,728,793	5,669,499
Cash and cash equivalents at the end of the year	17	8,372,711	5,728,793

NOTES TO THE CONSOLIDATED

STATEMENTS

1 Accounting policies

The principal accounting policies adopted, are as follows:

1.1 General Information

The Brandon Trust ("the Trust" or "Brandon") is a private company, limited by guarantee, domiciled and incorporated in England. The Trust is a registered charity and registration numbers and details of the registered office (which is also the principal place of business) are set out in the reference and administrative information section of the Report and Financial Statements.

The Group consists of the Brandon Trust and its subsidiary undertaking.

The Trust's (and the Group's) principal activities and the nature of its operations are set out in the Directors' report.

1.2 Basis of preparation

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 (FRS102) (effective 1 January 2015) – (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Exemption has been taken from producing a Trust only cash flow statement.

1.3 Basis of Consolidation

The consolidated financial statements, which are prepared on a line by line basis, incorporate the financial statements of The Brandon Trust and entities controlled by the company (its subsidiaries) made up to 31 March each year. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to benefit from its activities. Results of subsidiary undertakings are included from the effective date of acquisition. The Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligations can be measured reliably. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Support costs include Head and Area office costs, finance, HR, payroll and governance costs which support the activities of the Trust. They are allocated to activities on a basis proportional to the full-time equivalent staffing for each area of activity.

Notes to the consolidated financial statements for the year ended 31 March 2020

1.5 Income

All income is accounted for when Brandon Trust has entitlement, there is probability of receipt and the amount is measurable.

Charitable activities

Income in respect of contracts for the provision of services is recognised when Brandon Trust is entitled based on services provided. Amounts received in advance of service provision are deferred until the relevant part of the contracted service is complete.

1.6 Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the provider or terms of an appeal. Expenditure that meets these criteria is allocated to the fund together with a fair allocation of management and support costs.

Unrestricted funds are donations and other income received or generated for the objects of the charity, without further specified purpose and are available as general funds.

Designated funds are established by the trustees with funds allocated for specific purposes.

1.7 Intangible assets, Tangible fixed assets, depreciation and amortisation

Assets costing less than £1,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised. Intangible and tangible fixed assets are stated at cost or deemed cost less depreciation/amortisation. Depreciation/amortisation is provided on all tangible and intangible assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tangible Assets

Freehold land
Freehold buildings
Property refurbishment
Computer equipment
Fixtures, fittings and furniture
Motor vehicles

Depreciation

Nil
2% straight line basis
25% straight line basis
25%-33% straight line basis
25%-33% straight line basis
25% straight line basis

Intangible Assets

Computer software

Amortisation

25%-33% straight line basis

The directors consider the rate of amortisation of computer software to be appropriate as it reflects the useful life of the asset.

The Trust retains fixed and variable equity interests in some properties sold to a housing partner. These assets are included within freehold land and buildings at deemed cost less depreciation. Depreciation is provided at rates on these interests, in accordance with the policy for Freehold Buildings.

Notes to the consolidated financial statements for the year ended 31 March 2020

1.8 Financial Instruments

Investments

The Group's investments are valued initially at cost and subsequently at fair value based upon the quoted market prices (current bid price) at the balance sheet date. Realised and unrealised gains or losses on revaluation or disposal are combined in the Consolidated Statement of Financial Activities. Income from these investments is recognised in the year in which it arises.

Financial assets

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price, and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

1.9 Investment in subsidiary

In the Trust accounts, interests in subsidiaries are measured at deemed cost at the date of Transition to FRS102 (1 April 2014) less impairment.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the Trust's Statement of Financial activities.

1.10 Cash and Cash equivalents

Cash and cash equivalents comprise 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.

1.11 Leases

All operating leases are charged to the statement of financial activities on a straight-line basis over the lease term. Rent free periods or other incentives for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Notes to the consolidated financial statements for the year ended 31 March 2020

1.12 Pension costs and other post-retirement benefits

Defined benefit schemes

Employees who joined the Trust under TUPE arrangements have been allowed to retain membership of their defined benefit schemes, namely the Avon Pension Fund and the Gloucestershire County Council Scheme. The cost of the pension schemes is charged to the statement of financial activities to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated based on actuarial advice using the projected unit credit method.

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses that are recognised in the net income/(expenditure):

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/ liability is calculated by applying the rate used to discount the benefit obligations.

Other gains and losses recognised include:

- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

1.13 Defined contributions schemes

Contributions payable to the Trust's group personal pension scheme are charged to the statement of financial activities in the period to which they relate. Payments in respect of other post-retirement benefits are charged to the statement of financial activities in the period to which they relate.

1.14 Redundancy Payments

Employee benefits paid on redundancy or termination include accrued amounts where Brandon Trust is demonstrably committed to make these payments, but they had not yet been made at 31 March 2020. All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

Notes to the consolidated financial statements for the year ended 31 March 2020

1.15 Going concern

The Trust meets its day-to-day working capital requirements through its internal cash generation. The current economic conditions create uncertainty, however the Trust's forecasts and projections, taking account of possible changes in operating performance show that the Trust will be able to operate within its bank facilities over the next year. Accordingly, the Trustees are satisfied that the Charity and Group have adequate resources to continue in operational existence for at least twelve months and as a result they continue to adopt the going concern basis in preparing the annual report and accounts. In considering the going concern status of the Trust the Directors have considered the recent ruling on overnight workers, which is explained in note 22.

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment within the next financial year are discussed below.

The net defined benefit obligation arising on membership of defined benefit schemes represents the present value of the defined benefit obligations minus the fair value of plan assets out of which obligations are to be settled. In assessing the net defined benefit at the balance sheet date, the Directors utilise valuations provided by the pension scheme actuaries. This includes the principal assumptions for each scheme, which are disclosed in note 18 in respect of each scheme.

Critical areas of judgement

In determining the impact of whether a sleeping night shift falls within the National Living Wage (note 22), judgement has been used to determine the staff affected and to extrapolate a provision based on sample data. Judgement was also used to estimate the impact of staff who have transferred under TUPE into the Trust, and where historic data regarding sleeping nights sits with historic employers. The Trustees have considered the decision in the Royal Mencap Society and Tomlinson Blake Ruling Appeal, and the probability that a further appeal will be successful in determining whether a provision is required.

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group as lessee.

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

2 Expenditure

	Staff Costs	Allocated Support Costs	Other Direct Costs	Pensions Reserve Charges	Total 2020	Total 2019
	£	£	£	£	£	£
Consolidated						
Raising funds:						
Charity shops	132,595	-	134,528	-	267,123	276,640
Charitable activities:						
Accommodation with Care Services	5,554,621	433,710	1,889,510	849	7,878,690	7,611,930
Work, Learning & Leisure	3,970,794	310,063	726,506	607	5,007,970	4,894,966
Supported Living Services	33,918,525	2,321,546	4,160,445	4,544	40,405,060	37,419,352
Grants and donations (restricted funds)	-	-	351,914	-	351,914	161,919
	43,576,535	3,065,319	7,262,903	6,000	53,910,757	50,364,807

Year ended 31 March 2019	Staff Costs	Allocated Support Costs	Other Direct Costs	Pensions Reserve Charges	Total 2019	
	£	£	£	£	£	
Consolidated						
Raising funds:						
Charity shops	123,166	-	153,474	-	276,640	
Charitable activities:						
Accommodation with Care Services	5,388,713	431,080	1,790,610	1,527	7,611,930	
Work, Learning & Leisure	3,813,999	286,364	793,589	1,014	4,894,966	
Supported Living Services	31,631,655	2,388,428	3,390,810	8,459	37,419,352	
Grants and donations (restricted funds)	-	-	161,919	-	161,919	
	40,957,533	3,105,872	6,290,402	11,000	50,364,807	

Allocated support costs include governance costs of £33,288 (2019:£72,564).

	2020	2019
	£	£
The Pension reserve charges/(credits) are analysed by scheme in note 18 and comprise:		
Net interest	20,000	18,000
Remeasurement of Avon reimbursement asset (note 18)	(49,000)	(34,000)
Administrative expenses	1,000	1,000
Past service costs	21,000	-
Difference between current service & contributions	13,000	26,000
Pensions reserve charge/(credit) excluding other gains and losses (note 2)	6,000	11,000
Pension schemes actuarial (loss)/gain (note 18)	(71,000)	133,000
Remeasurement of Avon reimbursement asset (note 18)	47,000	(69,000)
Pensions reserve charge/(credit) including other gains and losses	(18,000)	75,000

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

2 Expenditure (continued)

All allocated costs are apportioned on the basis of full time equivalent staffing requirements of each activity.

	2020 £	2019 £
Other direct costs include:		
Operational lease rentals - other	493,012	510,748
Operating lease rentals - land and buildings	618,936	686,875
Depreciation of fixed assets	248,880	268,068
Auditors remuneration (audit fee Statutory Accounts):		
- Parent company & Group audit fee	38,706	36,600
Legal fees	42,444	57,216
	<u>2020</u>	<u>2019</u>
	£	£
Other allocated support costs include:		
Recruitment costs	360,295	313,021
Training costs	307,158	364,298
Transport and Travel costs	198,929	182,550
Rent, rates and utility expenditure	368,739	389,329
Insurance costs	154,304	186,262
Business development expenditure	27,716	36,202
Information systems expenditure	244,442	226,482
Professional fees	371,195	608,729
Administrative expenditure	219,514	291,902
Agency and other staff costs	265,343	350,074
Amortisation of intangible assets	36,415	59,519
Bad debts written off /(back)	190,769	(193,704)
Depreciation of fixed assets	22,415	57,980
Other costs	298,085	233,228
	<u>3,065,319</u>	<u>3,105,872</u>

3 Staff numbers, costs, trustee remuneration, and the cost of key management personnel

Number of employees - Group & Trust

The average monthly number of employees during the year was:

	2020 Actual	2020 FTE	2019 Actual	2019 FTE
Management	29	28	26	25
Administration	123	99	121	94
Service delivery	1,685	1,381	1,646	1,344
Bank staff	513	*	503	*
	<u>2,350</u>	<u>1,508</u>	<u>2,296</u>	<u>1,463</u>

The Trust operates a pool of bank staff who operate under variable hours contracts. The costs of these bank staff amounted to £2,497,044 (2019: £2,528,944), however the nature of the contracts do not allow the average number of FTE's to be determined accurately. The average number of these employees available to Brandon Trust during the year is shown above.

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

5 Intangible Assets

Consolidated and Trust

	Computer Software £	Total £
Cost or Valuation		
At 1 April 2019	465,682	465,682
Additions	96,506	96,506
At 31 March 2020	562,188	562,188
Amortisation and Impairment		
At 1 April 2019	394,367	394,367
Charge for the year	36,415	36,415
At 31 March 2020	430,782	430,782
Net book value		
At 31 March 2020	131,406	131,406
At 31 March 2019	71,315	71,315

Amortisation costs are charged to other allocated costs (note 2).

6 Tangible fixed assets

Consolidated

	Freehold Land & Buildings £	Property Refurbishment £	Fixtures, Fittings & Furniture £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 April 2019	5,086,647	1,097,327	867,396	535,976	220,461	7,807,807
Additions	-	19,638	48,879	-	16,000	84,517
Disposals	(325,000)	(33,509)	(2,915)	-	(14,750)	(376,174)
At 31 March 2020	4,761,647	1,083,456	913,360	535,976	221,711	7,516,150
Depreciation and Impairment Provisions						
At 1 April 2019	1,013,063	831,577	807,356	534,128	189,784	3,375,908
Charge for the year	83,849	117,915	32,642	502	13,973	248,881
On disposals	(27,619)	(26,422)	(2,308)	-	(14,750)	(71,099)
At 31 March 2020	1,069,293	923,070	837,690	534,630	189,007	3,553,690
Net book value						
At 31 March 2020	3,692,354	160,386	75,670	1,346	32,704	3,962,460
At 31 March 2019	4,073,584	265,750	60,040	1,848	30,677	4,431,899

Trust only

	Freehold Land & Buildings £	Property Refurbishment £	Fixtures, Fittings & Furniture £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 April 2019	3,926,647	1,097,327	867,396	535,976	220,461	6,647,807
Additions	-	19,638	48,879	-	16,000	84,517
Disposals	(325,000)	(33,509)	(2,915)	-	(14,750)	(376,174)
At 31 March 2020	3,601,647	1,083,456	913,360	535,976	221,711	6,356,150
Depreciation and Impairment Provisions						
At 1 April 2019	874,899	831,577	807,356	534,128	189,784	3,237,744
Charge for the year	49,308	117,915	32,642	502	13,973	214,340
On disposals	(27,619)	(26,422)	(2,308)	-	(14,750)	(71,099)
At 31 March 2020	896,588	923,070	837,690	534,630	189,007	3,380,985
Net book value						
At 31 March 2020	2,705,059	160,386	75,670	1,346	32,704	2,975,165
At 31 March 2019	3,051,748	265,750	60,040	1,848	30,677	3,410,063

Notes to the consolidated financial statements for the year ended 31 March 2020

6 Tangible fixed assets (continued)

The net book value of Land and building, includes the value of land as follows: Consolidated £1,295,000 (2019:£1,420,000), Trust £890,000 (2019:£1,015,000).

7 Investments

Consolidated and Trust	2020	2019
	£	£
Fair Value	Managed Funds	Managed Funds
At 1 April	3,311,011	1,564,901
Additions	-	1,500,000
Revaluation	(970)	246,110
At 31 March	<u>3,310,041</u>	<u>3,311,011</u>

Investments comprise units in charity specific managed funds. Managed funds are initially recorded at cost and are subsequently revalued to fair value at the balance sheet date. The historic cost of investments is £2,700,000 (2019: £2,700,000). Investment values at 31 March 2020 were significantly impacted by the impact of the COVID 19 virus on markets during March 2020.

8 Investment in Subsidiary Undertaking

On 20 April 2011, the Brandon Trust acquired control of Odyssey Care Ltd, a Community Benefit Society (24872R) , by virtue of its ability to appoint membership of the Society's committee of management. Odyssey Care Ltd is a not for profit Learning Disability provider based in London. No payment was made by the trust to acquire Odyssey Care Ltd. The registered office of Odyssey Care Ltd is the same as that of the Brandon Trust.

On 1 November 2012 the majority of the assets and liabilities (with the exception of Croydon Registered care properties) were transferred to the Brandon Trust and became the East operating area.

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

8 Investment in Subsidiary Undertaking (continued)

The results can be found within the financial statements of Odyssey Care Ltd, these are summarised below:

Statement of Financial Activities	2020	2019
	£	£
Total Incoming Resources	-	-
Total Resources expended	(34,541)	(34,541)
Net expenditure before recognised gains and losses	(34,541)	(34,541)
Other gains/(losses)	-	-
Net expenditure for the year	(34,541)	(34,541)

Summary Balance Sheet	2020	2019
	£	£
Total Assets	987,295	1,021,836
Total Liabilities	-	-
Net Funds	987,295	1,021,836

Total expenditure comprise restricted expenditure as follows:

	2020	2019
	£	£
Depreciation charge	34,541	34,541
Odyssey Care Ltd - expenditure on NHS Property Services Ltd Fund	34,541	34,541
Consolidated Loss on NHS Property Services Ltd Fund (note 12)	34,541	34,541

In previous years the Trust and Subsidiary received monies from NHS Property Services to fund the purchase of freehold properties. As the Proceeds are payable only in the event that the Trust and subsidiary sell the properties, and in this event can be controlled, the liability is recognised as a contingent liability and recognised as a loss when it crystallises. The Trust has recognised the original monies received as restricted funds.

	2020	2019
	£	£
Investment at deemed cost less impairment	1,125,459	1,125,459

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

9 Debtors

	2020 £	2019 £
Consolidated and Trust		
Debtors due within one year		
Trade debtors	2,806,271	3,439,440
Taxes and social security costs	3,735	-
Other debtors	62,938	67,837
Prepayments	406,489	512,882
Accrued income	2,527,156	3,073,363
	<u>5,806,589</u>	<u>7,093,522</u>
Debtors due after more than one year		
Pension reimbursement (note 18)	<u>598,000</u>	<u>596,000</u>

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Consolidated and Trust		
Trade creditors	805,322	751,792
Taxes and social security costs	750,015	707,801
Accruals	1,988,643	2,211,516
Deferred income	<u>131,656</u>	<u>410,066</u>
	<u>3,675,636</u>	<u>4,081,175</u>

Deferred income primarily results from the timing of invoicing Local Authorities. Most require invoicing on a rolling four weekly cycle and as a result income may be deferred at the year end.

Movements in deferred income comprise:	2020 £	2019 £
Balance at 1 April	410,066	379,352
Released during the year	(321,645)	(285,188)
Income deferred during the year	<u>43,235</u>	<u>315,902</u>
Balance at 31 March	<u>131,656</u>	<u>410,066</u>

11 Financial Instruments

	2020 £	2019 £
Consolidated and Trust		
Financial assets		
Debt instruments measured at amortised cost		
Trade debtors, other debtors, accrued income and cash at bank and in hand	13,772,811	12,309,433
Debt Instruments measure at fair value		
Investments	<u>3,310,041</u>	<u>3,311,011</u>
Total	<u>17,082,852</u>	<u>15,620,444</u>
Financial liabilities		
Measured at amortised cost		
Trade creditors and accruals	<u>(2,793,965)</u>	<u>(2,963,308)</u>
Total	<u>(2,793,965)</u>	<u>(2,963,308)</u>

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

12 Restricted Funds

Consolidated	Balance 1 April 2019 £	Income £	Expenditure / Transfers £	Balance 31 March 2020 £
NHS Property Services Ltd - restricted other	502,500	-	(135,000)	367,500
NHS Property Services Ltd - restricted revaluation	1,021,836	-	(34,541)	987,295
Innovation Grant - Assistive Technology	787	-	(787)	-
Capital Grant	14,652	-	(14,562)	90
Donation - Work, Learning and Leisure	167,802	47,600	(65,024)	150,378
Donation - Accommodation with Care Services	4,824	3,956	(5,932)	2,848
Donation - Supported Living	23,207	2,308	(12,067)	13,448
Donations - other	69,758	41,988	(73,375)	38,371
Donations - Dream Fund	71,027	26,154	(45,167)	52,014
	1,876,393	122,006	(386,455)	1,611,944

The restricted funds of the Trust comprise the consolidated funds of £1,611,944 (2019:£1,876,393), excluding the NHS restricted revaluation reserve of £987,295 (2019:£1,021,836), which are replaced in the Trust by the Investment in subsidiary of £1,125,459 (2019: £1,125,459) to arrive at the closing restricted funds balance of £1,750,108 (2019:£1,980,016).

Year ended 31 March 2019

Consolidated	Balance 1 April 2018 £	Income £	Expenditure / Transfers £	Balance 31 March 2019 £
NHS Property Services Ltd - restricted other	502,500	-	-	502,500
NHS Property Services Ltd - restricted revaluation	1,056,377	-	(34,541)	1,021,836
Employment projects Cornwall	3,141	-	(3,141)	-
Innovation Grant - Assistive Technology	787	-	-	787
Capital Grant	-	14,652	-	14,652
Donation - Work, Learning and Leisure	188,062	21,681	(41,941)	167,802
Donation - Accommodation with Care Services	3,171	6,678	(5,025)	4,824
Donation - Supported Living	27,992	6,198	(10,983)	23,207
Donations - other	84,251	31,703	(46,196)	69,758
Donations - Dream Fund	98,573	27,087	(54,633)	71,027
	1,964,854	107,999	(196,460)	1,876,393

The employment project is a specific employment project originally funded by the European Social Fund, and this year by Cornwall Job Outcomes. The remaining funds have been fully spent on employment related projects.

The Innovation Grant was for use on a specific assistive technology project at Clifton Park Family Assessment Centre. The project finished with an underspend, with the Trust intending to spend in the spirit of the original grant.

Donations are from various sources, often bequests, to be used for specific purposes by specific elements of the Trust.

The capital grant represents an extension of the prior year capital grant in relation to improvement works on a particular property.

The Dream Fund raises money for the purpose of enhancing the lives of people that we support.

The NHS Property Services fund represents monies previously received from NHS Property Services Ltd to fund the purchase of freehold properties. The proceeds are payable in the event that the Trust and subsidiary sells the properties and as such the funds received have been treated as restricted. The Subsidiary investment reserve represents the equivalent restricted income in the Subsidiary.

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

13 Unrestricted funds

Consolidated and Trust	Revaluation Reserve £	Designated Reserve £	General Reserve £	Total Excluding Pension Reserve £	Pension Reserve £	Total Including Pension Reserve £
Balance at 1 April 2019	1,941,071	17,793	12,720,108	14,678,972	(226,000)	14,452,972
Surplus for the year before transfers	-	2,352	1,614,303	1,616,655	18,000	1,634,655
Transferred between reserves on sale of property	(252,147)	-	252,147	-	-	-
Balance at 31 March 2020	1,688,924	20,145	14,586,558	16,295,627	(208,000)	16,087,627

During the year designated funds had income of £6,000 (2019: £4,123) and costs of £3,648 (2019: £4,528). The balance of designated funds at 31 March 2020, relates to Employment Strategy projects.

Year ending 31 March 2019

Consolidated and Trust	Revaluation Reserve £	Designated Reserve £	General Reserve £	Total Excluding Pension Reserve £	Pension Reserve £	Total Including Pension Reserve £
Balance at 1 April 2018	1,941,071	18,198	10,623,231	12,582,500	(151,000)	12,431,500
Deficit for the year before transfers	-	(405)	2,096,877	2,096,472	(75,000)	2,021,472
Balance at 31 March 2019	1,941,071	17,793	12,720,108	14,678,972	(226,000)	14,452,972

14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Pension Reserve £	Total Funds £
Consolidated				
Fund balances at 31 March 2020 are represented by:				
Intangible fixed assets	131,406	-	-	131,406
Tangible fixed assets	2,607,665	1,354,795	-	3,962,460
Investments	3,310,041	-	-	3,310,041
Current assets	13,922,151	257,149	598,000	14,777,300
Current liabilities	(3,675,636)	-	-	(3,675,636)
Long Term liabilities	-	-	(806,000)	(806,000)
Total Net Assets	16,295,627	1,611,944	(208,000)	17,699,571
Year ended 31 March 2019				
Consolidated				
Fund balances at 31 March 2019 are represented by:				
Intangible fixed assets	71,345	-	-	71,345
Tangible fixed assets	2,907,533	1,524,336	-	4,431,869
Investments	3,311,011	-	-	3,311,011
Current assets	12,470,258	352,057	596,000	13,418,315
Current liabilities	(4,081,175)	-	-	(4,081,175)
Long Term liabilities	-	-	(822,000)	(822,000)
Total Net Assets	14,678,972	1,876,393	(226,000)	16,329,365

The total fund balance of the Trust comprises the Consolidated fund of £17,699,571 (2019: £16,329,365), excluding the NHS restricted assets of £987,295 (2019: £1,021,836), which are replaced in the Trust by the Investment in the subsidiary of £1,125,459 (2019: £1,125,459) in arriving at the closing funds balance of £17,837,735 (2019: £16,432,988).

15 Reconciliation of net income and expenditure to net cash inflow/(outflow) from operating activities

	Group 2020 £	Group 2019 £
Net income	1,346,206	1,997,011
Net (gain) on investments	970	(246,110)
FRS102 Pension charge/(credit)	6,000	11,000
Depreciation of tangible assets	248,880	326,048
Amortisation of intangible assets	36,415	59,519
Investment income	(42,323)	(28,023)
Loss on disposal of fixed assets and assets held for resale	3,710	4,826
Decrease/(Increase) in debtors	1,587,799	(58,031)
(Decrease)/Increase in creditors within one year	(405,539)	(384,797)
Net cash inflow from operating activities	2,782,118	1,681,443

Notes to the consolidated financial statements for the year ended 31 March 2020

16 Analysis of cash and cash equivalents

	31 March 2020	31 March 2019
Consolidated and Trust	£	£
Net cash:		
Cash at bank and in hand	<u>8,372,711</u>	<u>5,728,793</u>

17 Analysis of changes in net debt

	1 April 2019	Cash flows	31 March 2020
Consolidated and Trust			
Cash	<u>5,728,793</u>	<u>2,643,918</u>	<u>8,372,711</u>

18 Retirement benefits

The Group participates in a number of pension schemes. The total pension operating cost for the Group was £1,601,954 (2019: £1,476,691). This figure includes £264,640 (2019: £251,303) of outstanding contributions at the balance sheet date.

a) Defined contributions scheme

- i) The Trust operates a defined contribution ("money purchase") pension scheme with Aegon. The contributions relating to each member (less investment and administrative expenses) are invested until retirement when the value of the member's accumulated investment account is available to purchase a pension under an annuity contract or take a cash option within HMRC limits. The assets of the scheme are held separately from those of the trust in an independently administered fund. The pension costs charge which represents contributions payable by the Group to these schemes amounted to £354,973 (2019: £357,397).
- ii) The company commenced pensions auto-enrolment on 1 September 2013 via the National Employment Savings Trust (NEST) defined contribution pension scheme. Employer contributions increased by 1% during the year for the year and were: £430,148 (2019: £242,474).

b) Defined benefit schemes

- i) The Trust contributes to the NHS pension scheme which is a final salary scheme. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. The next valuation will be at 31 March 2020 and this will set contribution rates from 1 April 2023. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme. Brandon has no liability for other employers obligations to the multi-employer scheme. As the scheme operates on a pay as you go basis there is no liability to recognise in respect of past service deficits.

The pension cost charge represents contributions payable by the fund net of recharges and amounted to £630,354 (2019: £631,720) (£666,041 actual contributions net of £35,687 from the Department of Health Funding).

- ii) The Trust contributes to a further pension scheme providing benefits based on final pensionable pay, the Avon Fund, which is administered by Bath and North East Somerset Council. The Trust's involvement in the scheme commenced on 1 September 2001. The assets of the scheme are held separately from those of the Trust and hence fuller disclosure under FRS102 is required. The amounts charged to the SOFA are the current service costs and gains and losses on settlements and curtailments. They are included as part of the staff costs. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2016. The contributions payable by the group to the fund amounted to £33,729 (2019: £34,960). For actuarial assumptions and composition of the scheme see page 49.
- iii) The Trust contributes to a pension scheme providing benefits based on final pensionable pay, which is administered by Gloucestershire County Council. The assets of the scheme are held separately from those of the Trust and hence fuller disclosure under FRS102 is required. The amounts charged to the SOFA are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2016. The contributions payable by the group to the fund amounted to £12,471 (2019: £9,719). For actuarial assumptions and composition of the scheme see page 50.
- iv) The Trust and formerly Odyssey Care Ltd makes contributions to the London Borough of Southwark Pension Scheme. The employers contributions are however set in relation to the current service period only, consequently the contributions have been accounted for as if it were a defined contribution scheme. The pension charge payable to the fund from the Trust amounted to £44,096 (2019: £36,787).

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

18 Retirement Benefits (continued)

b) Defined benefit Schemes (continued)

- v) The Trust contributes to a further pension scheme providing benefits based on final pensionable pay, which is administered by Warwickshire County Council. The Trust's involvement in the scheme commenced on 1 September 2015. The pension liability remains attributable to Warwickshire County Council under the terms of the contract and as such the employees contributions are set in relation to the current service period only. As a result the contributions have been accounted for as if it were a defined contribution scheme. The pension charge payable to the fund from the Trust amounted to £96,183 (2019: £103,535).

Composition of the Avon Pension Fund Scheme

Consolidated and Trust

The Principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:

	2020	2019
Future salary increases	3.6%	3.7%
Future pension increases	2.2%	2.3%
Discount rate	2.4%	2.5%
Inflation assumption - CPI	2.1%	2.2%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2020	2019
male (female) future pensioner aged 65	24.7 (27.3) years	26.3 (29.0) years
male (female) current pensioner aged 65	23.2 (25.3) years	23.7 (26.2) years

Amounts recognised in the statement of financial activities of the defined benefit schemes is as follows:

	2020 £000s	2019 £000s
Current Service Cost	(53)	(52)
Past service cost	(20)	-
Net interest cost	(15)	(14)
Administration expenses	(1)	(1)
Pension cost recognised	<u>(89)</u>	<u>(67)</u>

	2020 £000s	2019 £000s
Changes in Benefit Obligation during period		
Benefit obligation at beginning of period	1,665	1,458
Current service cost	53	52
Interest on pensions liabilities	42	41
Member contributions	10	9
Past service cost	20	-
Remeasurements -Experience loss	35	-
-(Gain)/Loss on assumptions	(85)	105
Benefits/transfers paid	(12)	-
Benefit obligation at end of period	<u>1,728</u>	<u>1,665</u>

	2020 £000s	2019 £000s
Changes in Plan Assets during the period		
Fair value of plan assets at beginning of period	1,069	965
Interest on plan assets	27	27
Remeasurements (assets)	(3)	36
Admin expenses	(1)	(1)
Employer contributions	40	33
Member contributions	10	9
Benefits/transfers paid	(12)	-
Fair value of plan assets at end of period	<u>1,130</u>	<u>1,069</u>

	2020 £000s	2019 £000s
Actual Return on Plan Assets	<u>(69)</u>	<u>62</u>

The analysis of the scheme assets at the reporting date were as follows:

	2020 %	2019 %
Equities	43.5	40.4
Government Bonds	5.6	12.1
Other Bonds	9.1	11.7
Property	9.9	9.7
Cash/Liquidity	2.2	1.7
Other	29.7	24.4
	<u>100.0</u>	<u>100.0</u>

Estimated Employer's contributions for the year to 31 March 2021 will be approximately £35,000.

North Somerset Council has waived its right to recover a termination contribution if one were to arise at the end of the contract.

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

18 Retirement Benefits (continued)

**Composition of the Gloucestershire County Council Scheme
Consolidated and Trust**

The Principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:

	2020	2019
Salary increase rate	2.2%	2.8%
Pension/inflation increase rate	1.9%	2.5%
Discount rate	2.3%	2.4%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2020	2019
male (female) current pensioner aged 65	21.7 (23.9) years	22.4 (24.6) years
male (female) future pensioner aged 65	22.4 (25.3) years	24.0 (26.4) years

Amounts recognised in the statement of financial activities of the defined benefit schemes is as follows:

	2020 £000s	2019 £000s
Current Service Cost	(17)	(23)
Past service cost	(1)	-
Net interest cost	(5)	(4)
Pension cost recognised	<u>(23)</u>	<u>(27)</u>
	2020 £000s	2019 £000s
Changes in Benefit Obligation during period		
Benefit obligation at beginning of period	958	832
Current service cost	22	17
Past service cost (including curtailments)	1	-
Interest on pensions liabilities	23	23
Member contributions	6	2
Benefits Paid	(17)	-
Remeasurement loss/(gain) on assumptions	(122)	84
Remeasurements (liabilities) - other experience	(14)	-
Benefit obligation at end of period	<u>857</u>	<u>958</u>
	2020 £000s	2019 £000s
Changes in Plan Assets during the period		
Fair value of plan assets at beginning of period	732	681
Interest income on plan assets	18	19
Employer contributions	22	10
Member contributions	6	2
Benefits Paid	(17)	-
Remeasurements - return on assets excluding amounts shown in net interest	(112)	20
Fair value of plan assets at end of period	<u>649</u>	<u>732</u>
	2020 £000s	2019 £000s
Actual (reduction)/Return on Plan Assets	<u>(44)</u>	<u>38</u>

The analysis of the scheme assets at the reporting date were as follows:

	2020 %	2019 %
Equities	64.0	67.0
Government Bonds	26.0	23.0
Property	9.0	8.0
Cash/Liquidity	1.0	2.0
	<u>100.0</u>	<u>100.0</u>

Estimated Employer's contributions for the year to 31 March 2021 will be approximately £12,000.

Under the terms of the contract with Gloucestershire council, the Trust is liable for any deficit in the event of termination of the contract.

**Notes to the consolidated financial statements
for the year ended 31 March 2020**

19 Financial commitments

At 31 March 2020 the Group total future minimum lease payments under non-cancellable operating leases was as follows:

Consolidated and Trust	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Expiry date:				
Within one year	411,940	364,650	244,197	188,034
Between two and five years	466,797	607,016	369,078	155,295
In over five years	-	-	-	-
	<u>878,737</u>	<u>971,666</u>	<u>613,275</u>	<u>343,329</u>

20 Capital commitments

There were no capital commitments as at 31 March 2020 (2019: Nil).

21 Related Party Transactions

No related party transactions took place during the year (2019: £Nil).

Notes to the consolidated financial statements for the year ended 31 March 2020

22 Contingent Liabilities

Properties

Proceeds from the sale of certain properties held by Odyssey Care Limited and the Trust amounting to £1,354,795 (2019: £1,524,336) are repayable to NHS Property Services Limited upon the sale of these tangible fixed assets. This is secured by legal charge over the properties concerned. The carrying value of the underlying properties at 31 March 2020 was £2,460,156 (2019: £2,825,267).

Employee Night shifts

The Trust continues to closely monitor an Employment Appeal Tribunal case regarding the issue of whether an employee performing a sleeping night shift falls within the national living wage, rather than a fixed allowance for the whole night, and the associated taxes thereon. Since April 2016, the Trust has operated a policy of topping up the pay of staff on these shifts to ensure that individual hourly rates do not fall below the national living wage. There is therefore a potential liability, which could arise prior to this date from potential employee claims and enforcement action. The court of appeal issued its decision in the Royal Mencap Society and Tomlinson Blake Ruling appeal on 13 July 2018 and rejected the Employment Appeal Tribunal's previous decision. There has been a subsequent appeal regarding this decision, and there are inherent complexities in valuing any potential liability. The Trust's initial estimate of any potential liability was approximately £800,000, which includes estimates of liabilities inherited under TUPE (requiring information from previous employers), and extrapolations of sample data. As part of the continuing review of the potential liability Brandon has received advice regarding the time period of any potential claims its assumptions accordingly. This has revised the estimate of the potential liability downwards to £360,000. Given the appeal process and uncertainties the Trustees consider this matter to still remain a contingent liability. Professional advice has been obtained regarding this issue and it is kept under regular review.

Guaranteed Minimum Pensions (GMPs)

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees had a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation was made in the FRS102 LGPS pension liability for the year ended 31 March 2019. Full GMP indexation has now been applied to the LGPS pension liability for the year ending 31 March 2020.

The McCloud judgement

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sergeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated. The Government applied to the Supreme Court for permission to appeal this judgement and in June 2019 this permission was denied.

As a result of this the Government took remedial action and the impact of the additional liability as a result of the McCloud judgement has now been included within the FRS102 pension liability for the year ended 31 March 2020.

**Consolidated statement of financial activities
(incorporating an Income and Expenditure Account)
for the year ended 31 March 2019**

23 Prior year primary statement comparatives by fund

	Notes	Unrestricted Funds	Unrestricted Pensions Reserve	Restricted Funds	Total Funds 2019
		£	£	£	£
Income					
Donations and Legacies		109,662	-	107,999	217,661
Income from charitable activities:					
Fees for Accommodation with Care Services		8,184,919	-	-	8,184,919
Fees for Work, Learning and Leisure		5,082,278	-	-	5,082,278
Fees for Supported Living Services		38,304,880	-	-	38,304,880
Income from other trading activities:					
Charity shop income		270,114	-	-	270,114
Investment income		28,023	-	-	28,023
Other income		27,833	-	-	27,833
Total income		52,007,709	-	107,999	52,115,708
Expenditure					
Expenditure on raising funds					
Charity shop expenditure		276,640	-	-	276,640
Expenditure on charitable activities					
Accommodation with care Services Costs		7,575,862	1,527	34,541	7,611,930
Work, Learning & Leisure Costs		4,893,952	1,014	-	4,894,966
Fees for Supported Living Services		37,410,893	8,459	-	37,419,352
Other expenditure in the deployment of grants and donations received		-	-	161,919	161,919
Total expenditure	2	50,157,347	11,000	196,460	50,364,807
Net gain on investments	7	246,110	-	-	246,110
Net expenditure before other gains and losses		2,096,472	(11,000)	(88,461)	1,997,011
Other Recognised Losses					
Pension schemes actuarial (loss) / gain	18	-	(133,000)	-	(133,000)
Remeasurement of reimbursement asset	18	-	69,000	-	69,000
Net movement in funds		2,096,472	(75,000)	(88,461)	1,933,011
Balances brought forward at 1 April 2018		12,582,500	(151,000)	1,964,854	14,396,354
Balances carried forward at 31 March 2019	12/13	14,678,972	(226,000)	1,876,393	16,329,365

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The (deficit) for the year for Companies Act purposes comprises the net (expenditure) for the year and was £1,997,011.

Brandon exists to enable children, young people and adults with learning disabilities and autism to live life in the way they choose.

We do that by providing high-quality, individualised support that focuses on enabling people to achieve their dreams and truly live free.

t: 0117 907 7200

e: info@brandontrust.org

w: brandontrust.org

Registered Charity Number: 801571

Brandon

Live free

the learning disability charity



Registered with
**FUNDRAISING
REGULATOR**