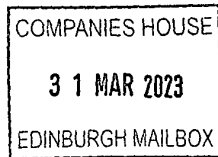


REGISTERED COMPANY NUMBER: SC248341
REGISTERED CHARITY NUMBER: SC009334



NEWARK CARE
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022



Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

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FOR THE YEAR ENDED 31 MARCH 2022**

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NEWARK CARE

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their strategic report for the year ended 31 March 2022.

Performance during the year

The results for the year and the financial position of the charity are shown in the financial statements on pages 12 to 32.

Despite the many challenges post-Covid, Newark Care continues to maintain its reputation as one of the country's leading providers of high-quality nursing and residential care. Occupancy levels are a key performance indicator in the care home sector and are a significant financial driver for Newark Care, one which largely determines the ability of the charity to cover its costs. Moreover, in an increasingly competitive environment locally for care home placements and admissions, occupancy levels also provide some indication of the demand for our care services and the regard in which they are held.

Under the care home grading system in Scotland inspections have been routinely carried out at each care home on an annual basis. These inspections result in grades being awarded across each of four different quality themes. Due to the pandemic the last inspections were done in 2019, where, Burnfield was awarded a grade 6 (excellent), and Westacres a grade 5 (Very good). The grade of '6' appears to be particularly hard to achieve for care homes in East Renfrewshire, our objective is to sustain and further improve upon these excellent grades when the opportunity arises during 2022/23.

The Directors believe that these grades properly reflect the ongoing commitment and personal resilience displayed daily by our staff.

Occupancy

During 2021/22 Newark Care started with average occupancy level of 85% in the first quarter but improved from the second quarter and eventually were at 97% occupancy at the end of the financial year. Newark Care's two Homes continue to attract new applications for admission and there is invariably a waiting list in place.

Resident Profile

The average age at admission was 89. The government and local authorities continue to focus resources on supporting older people to live at home for as long as possible, and therefore, the age of the majority of new admissions has increased. However, as we come out of the pandemic, we have witnessed a sharp increase in the number of people requiring emergency admission. This is most likely caused by elderly people having to isolate at home for such a long time without the support of their families and/or all but the most essential services. We maintain a healthy waiting list of Jewish and non-Jewish applicants and our rooms are generally available for occupancy within a week of becoming vacant.

Volunteers

Newark Care used to benefit from the involvement of a number of volunteers who gave freely of their time and skills to participate in a variety of different ways in the life of our two homes. Unfortunately, we have not been able to allow these activities in the homes post Covid.

Staff

Critical to the quality of the care that Newark Care provides, and so to the success of the organisation, is the calibre and dedication of our employees. During the year to March 2022, despite the challenges on staffing post Covid, we managed to retain a staff group with the skills, knowledge and compassion to provide a high-quality living experience for our residents. Across all departments there is an overwhelming sense of duty and commitment shown towards the care and well-being of our residents. Both homes continue to enjoy a low staff attrition rate with many staff having been in post for over 8 years. They provide consistency for residents and ease the task of planning and managing care needs. Both homes are well known for their standard of cleanliness, the catering teams receive positive feedback on the quality of food and the fabric of both properties is well maintained by our maintenance team.

Funding and Donations

Newark Care is funded through board fees and therefore any drop in occupancy can impede the level of expenditure available for improvement and reduce our capacity to provide subsidy for those without the means to fund their own care. We are very appreciative of the many donations and occasional legacies we receive.

NEWARK CARE

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

REVIEW OF BUSINESS

Governance and Management

Newark Care is governed by a Board of Trustees. All members of the Board were re-elected at the last AGM. The Board is pleased to report that Newark Care is fully compliant with the requirements of the GDPR legislation.

Future Plans

In common with most organisations, the key objectives of Newark Care focus on recovery and sustainability. Demand for admission continues to grow with the majority of enquiries being for nursing care. How long this will last is unclear, but there are clearly a significant number of people who are in need of residential nursing care.

There is believed to be an oversupply of care homes within East Renfrewshire and many are relatively new buildings with modern and attractive facilities. Both Westacres and Burnfield are over 20 years old, and whilst well maintained and regularly decorated, the layout of the properties places some limitations in terms of modernisation.

However, our experience demonstrates that the quality of staff and the care we provide far outweighs the physical environment when it comes to choosing a care home for a relative. Further investment in this area and in measures to meet the growing demand for nursing care are believed to be priorities. The Board has therefore begun an exercise involving: - modernisation of bedrooms and bathrooms; bringing all beds up to nursing standard; upskilling of care staff to assist; and designing and delivering activities with more focus on the needs of individuals as opposed to groups.

Principal risks and uncertainties

The major shock of the pandemic and the challenges on service, finances and operations continued in this financial year. The Crown Office investigation into all Covid-19 related care home deaths has been ongoing and the following is required as part of routine duties:

Covid protocol - Residents must isolate for 14 days after a positive test or admission to the home. Staff, if positive, must isolate for 10 days. Visitors must complete a lateral flow test on arrival. Staff are required to take a lateral flow test twice a week and a PCR weekly.

Staff morale remains positive, although it is very challenging to keep them motivated when they are tired and stretched. Keeping up with changing guidance by the government and having to implement and comply adds more challenges to their workload.

There is a direct impact on all operations if the occupancy rates do not improve. We have made some recovery at the tail end of the year but must ensure that we maintain that, ensuring the rooms are filled as soon as possible following any availability.

The safety and quality of care provided in our care homes is top priority to guarantee consistent, appropriate and quality standards of care. All decision-making must include residents' needs, rights and preferences.

We aim to replace crisis with prevention and well-being; burden with investment; competition with collaboration; and variation with fairness and equity. And we need to put people at the centre of it: people who use social care supports, their families and people who work in social care services.

NEWARK CARE

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

As shown in the Statement of Financial Activities (SOFA) on page 12 there was a net surplus for the year of £141,729 (2021: £54,399). The main reasons for the surplus relate to the following:

- the recognition of a realised gain arising on the sale of investments of £93,801 (2021: £82,134) albeit offset by an unrealised loss on the revaluation of investments to market value at the year-end of £15,262 (2021: gain of £377,484);
- due to increased occupancy rates following the easing of covid restrictions, board fees have increased by £937,759 to £4,167,948. To facilitate this however, payroll costs have increased by £505,440 to £3,706,351; and
- during the year, the charity received various covid related sustainability grants totalling £380,379 (2021: £143,369).

Expenditure on charitable activities increased by 18.1% to £4,630,558. During the year, there were fluctuations in various costs however the main increases relate to payroll costs which increased by £505,440 (15.8%); provisions which increased by £58,229 (34.9%); and heat & light increased by £66,222 (69.3%) as these costs fluctuate directly with the level of occupancy.

Staff salary costs which account for 80% (2021: 81%) of the cost base increased by 15.8%.

Capital expenditure over the year amounted to £91,017.

To comply with the requirements of FRS 102, the charity continues to reflect actuarial adjustments resulting in charges to the SOFA of the deficit funding contributions payable under the agreed deficit funding agreement. The year to 31 March 2022 shows net actuarial gains of £70,000 (2021: losses amounting to £6,000). Further details on the pension scheme are given in note 21 to the financial statements.

Reserves and going concern

The trustees are satisfied with the overall financial performance of the charity in recent years and are very grateful for the support given by way of donations, legacies and bequests. These have enabled Newark Care to maintain its high standards of personal care and to extend its services to those who would otherwise be unable to afford them. The trustees acknowledge the charity's reliance on the generosity of its supporters. As at 31 March 2022, the charity's unrestricted reserves amounted to £5,716,597 (2021: £5,519,247) and had restricted reserves of £288,701 (2021: £344,322). Free reserves (being unrestricted reserves net of designated funds and investment property) amount to £1,483,341 (2021: £1,279,907). The trustees consider that due to the level of the free reserves, together with the high level of investments which can be readily converted into cash, that the charity has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the charity's financial statements.

The Newark Care Charity Reserve Fund is used exclusively for the support of those from the Jewish community who at the time of admission to either of our two homes are fully reliant on local authority funding for their care. The maximum local authority funding level does not cover the full cost of Newark Care's care home package and the shortfall is met from the Charity Reserve Fund. The value of the support given during the year, met from the Charity Reserve Fund, was £14,595. During 2021/22, income to the fund comprised the proceeds of the 2022 Festival Appeal together with income generated within the year from Newark Care's investment portfolio.

It is apparent that there is an ever-increasing strain being placed on the Charity Reserve Fund as a growing number of residents require financial support. In the past 5 years, the level of support has increased significantly year on year and without significant gifts and legacies or an increase in our fundraising, we will have to give consideration as to the long-term viability of providing this level of support. The trustees are aware of this and discuss this regularly at Board meetings.

Investment policy and objectives

The charity holds an investment portfolio which the Directors have deemed sufficient and appropriate to enable income generation to support the running of the two Homes. The Directors are aware that funding levels in relation to voluntary income are unpredictable and cannot be relied upon as part of the core funding for running the charity. They have therefore established this portfolio as a means of protecting income and mitigating the risk of a significant loss in voluntary funding. In the event funds were required for a specific project the Directors would realise investments as necessary.

NEWARK CARE

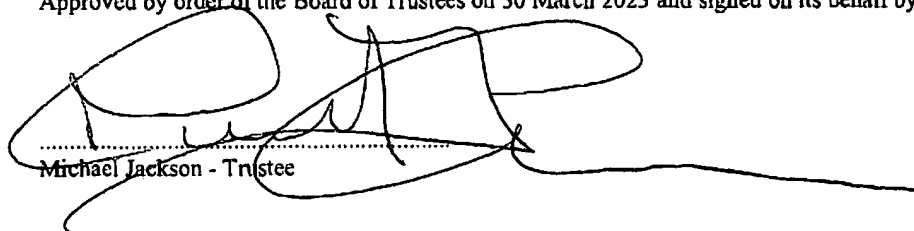
STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The day-to-day management of the investment portfolio is delegated to the charity's investment advisers. However, the Directors retain overall control and have set the risk profile parameters at the level of 'cautious to moderate'. During the year, the Directors reviewed the investment strategy with the investment advisers in order both to grow the portfolio and to preserve it for future income generation in support of the charity's objectives.

Investment performance

Investment assets, including funds on deposit, contributed £42,837 (2021: £44,877) to incoming resources for the year. Income generated by the investment portfolio alone represented a yield of 2.2% on the year-end portfolio values.

Approved by order of the Board of Trustees on 30 March 2023 and signed on its behalf by:



.....
Michael Jackson - Trustee

NEWARK CARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Principal activities

During the year under review, the principal activity of the charity was the provision of care for frail and/or confused elderly, and terminally ill persons of the Jewish faith.

In furtherance of the charity's objects the organisation:

- (a) provides and develops a quality, holistic and integrated programme of care for all such persons as aforesaid;
- (b) delivers that care within an orthodox residential, day or domiciliary setting; and
- (c) develops and provides any other ancillary services conducive to the stated objects.

Newark Care owns and operates two modern, purpose-built nursing care homes (Westacres and Burnfield), both of which are located in East Renfrewshire near Glasgow. Between them, the two homes provide accommodation of 78 rooms, which offer a maximum capacity of 79 residents.

In pursuit of the overall objective to provide ongoing care provision for the frail and elderly, the charity must ensure that its financial strength is maintained. To this end, the occupancy rates of the homes are of prime importance and accordingly the strategy of the Board has been to extend the offer of care and accommodation to those not of the Jewish faith who wish to enter the homes. Although this approach is outwith the stated objects of the charity in its original constitution, it is felt that financial stability is ultimately the prime goal of the organisation in order that it can fulfil its objects in the longer term.

The proceeds of the Newark Care Charity Reserve Fund are used exclusively for the financial support of members of the Jewish community.

NEWARK CARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction

Newark Care is a company limited by guarantee (No. SC248341) and a recognised Scottish charity, controlled by its governing document, a deed of trust. The company is recognised as a charity by HM Revenue & Customs for the purposes of Section 505 of the Income and Corporation Taxes Act 1988 and is registered with The Office of the Scottish Charity Regulator (OSCR) as a charity (No. SC009334). No liability to taxation arises on any of the charity's income.

As a company limited by guarantee in terms of the Companies Act 2006, the liability of each member is limited to the sum of £1. In the event of the winding up or dissolution of the company, in terms of clause 7 of the Memorandum of Association, any surplus assets shall be transferred to some other charitable body or bodies having objects similar to the company.

The legal and administrative information as set out below and on page 7 forms part of this report. The financial statements comply with current statutory requirements and with the constitution of the charity.

Constitution and legal status

The original constitution was established in the name of the Jewish Old Age Home for Scotland by Mr A. A. Collins, Mr L.S. Sellyn and others and was duly registered with and recognised by the Inland Revenue as a charity on 25 May 1950. The name of the charity was changed to Newark Lodge in April 1983 and then to Newark Care in July 1995, at which time the constitution was duly revised.

The company is governed by a Board of Trustees which meets bi-monthly to review the current financial position of the charity and to consider all relevant operational issues arising. Any pertinent matters from the development, legal and regulatory aspects of the organisation are considered as well as the progress of any capital projects. The Chief Executive is responsible for collating the various reports for presentation to the Board for consideration. Each meeting considers comment from the Chair and the Treasurer.

The Chief Executive oversees the management of the homes, which is the day-to-day responsibility of the respective Care Managers. The Chief Executive also maintains the financial records through the operation of both internal and external accounting assistance and meets regularly with the Treasurer to review the financial position and the projected funds for the foreseeable future.

Recruitment and appointment of new trustees

There are no specific induction and training procedures for new trustees. All trustees however, have a knowledge of the community they serve and are encouraged to participate in assisting with some of the activities undertaken in the homes. It is customary practice for all new trustees to be given a copy of Newark Care's constitution and the 'Guidance for Charity Trustees' document produced by OSCR.

Key management remuneration and related parties

The directors consider that the Board of Directors, who are the charity's trustees, and the Chief Executive comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All directors/trustees give of their time freely and no director/trustee received any remuneration nor expenses during the year.

The pay of senior staff is reviewed annually, taking account of market conditions and salaries available to staff in similar positions in other organisations.

In addition, the Board considers that the charity's related parties are its trustees and details of related party transactions are given in note 22 to the financial statements.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC248341

Registered Charity number

SC009334

NEWARK CARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

Registered office

32 Burnfield Road
Giffnock
Glasgow
G46 7PZ

Trustees

Michael Jackson - Chair
Martin Berman - Vice Chair
Clive Aronson Treasurer (resigned 1/9/2022)
Stanley Bernstein (resigned 14/4/2021)
Martin Diamond
Dr. Stephen Jacobs
Daniel Kersh
Rochelle Pinder
Anita Berkley (resigned 30/5/2022)
Caroline Gurevitz

Company Secretary

Dr. Stephen Jacobs

Auditors

Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Solicitors

Carr Berman Crichton
90 Main Street
Rutherglen
Glasgow
G73 2HZ

Frederick & Co
19 Sandyford Place
Sauchiehall Street
Glasgow
G3 7NQ

Bankers

Royal Bank of Scotland
1 Redheughs Avenue
Edinburgh
EH12 9JN

Investment advisers

Quilter Cheviot
2nd Floor
Delta House
50 West Nile Street
Glasgow
G1 2NP

Key Management Personnel

Jack Ryan - Chief Executive

Honorary President

Mildred Jackson

NEWARK CARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2022

FUNDS HELD AS CUSTODIAN FOR OTHERS

In common with many care homes, Newark Care holds personal funds for most of its residents and these are held either to cover their own minor personal expenses or as payment on account of board charges. A fully reconciled residents' ledger system is operated to ensure these funds are kept separate from those of the homes and a separate residents' bank account is operated to ensure that these funds are securely held. Non-attributable interest is applied to the Residents' Welfare Fund. The total amount held in residents' funds is disclosed in note 16 of the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Newark Care for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

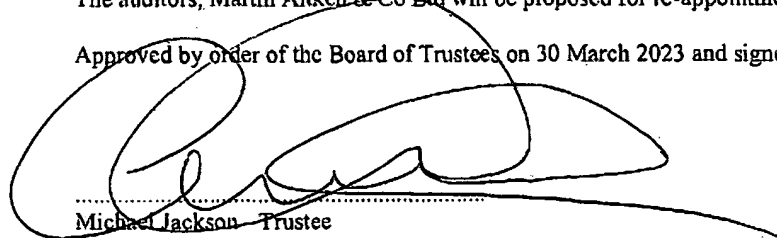
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Martin Aitken & Co Ltd will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 30 March 2023 and signed on its behalf by:



Michael Jackson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF NEWARK CARE

Opinion

We have audited the financial statements of Newark Care (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 the audit:

- the information given in the Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF NEWARK CARE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the 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; or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Directors' Report included within the Report of the Trustees and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF NEWARK CARE

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the key accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

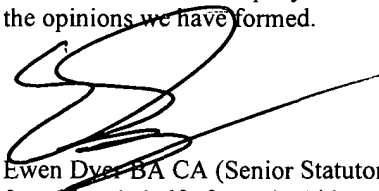
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Independent Auditors.

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' 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.



Ewen Dyer BA CA (Senior Statutory Auditor)

for and on behalf of Martin Aitken & Co Ltd

Statutory Auditor

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Caledonia House

89 Seaward Street

Glasgow

G41 1HJ

30 March 2023

NEWARK CARE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME FROM					
Donations and legacies	2	402,951	-	402,951	233,316
Charitable activities	5				
Care		4,167,948	-	4,167,948	3,230,189
Other trading activities	3	21,870	-	21,870	25,223
Investment income	4	52,000	-	52,000	53,277
Other income		240	-	240	115
Total		<u>4,645,009</u>	<u>-</u>	<u>4,645,009</u>	<u>3,542,120</u>
EXPENDITURE ON					
Raising funds	6	21,261	-	21,261	20,873
Direct charitable costs	7				
Care		<u>4,574,937</u>	<u>55,621</u>	<u>4,630,558</u>	<u>3,920,466</u>
Total		<u>4,596,198</u>	<u>55,621</u>	<u>4,651,819</u>	<u>3,941,339</u>
Net gains on investments		<u>78,539</u>	<u>-</u>	<u>78,539</u>	<u>459,618</u>
NET INCOME/(EXPENDITURE)		127,350	(55,621)	71,729	60,399
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>(6,000)</u>
Net movement in funds		197,350	(55,621)	141,729	54,399
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>5,519,247</u>	<u>344,322</u>	<u>5,863,569</u>	<u>5,809,170</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>5,716,597</u></u>	<u><u>288,701</u></u>	<u><u>6,005,298</u></u>	<u><u>5,863,569</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

GAINS AND LOSSES

The Statement of Financial Activities includes all gains and losses recognised in the year.

NEWARK CARE (REGISTERED NUMBER: SC248341)

BALANCE SHEET
31 MARCH 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	13	3,862,683	3,921,879
Investments			
Investments	14	1,917,108	1,977,531
Investment property	15	<u>100,000</u>	<u>100,000</u>
		5,879,791	5,999,410
CURRENT ASSETS			
Debtors	16	528,165	219,974
Cash at bank and in hand		<u>96,869</u>	<u>90,326</u>
		625,034	310,300
CREDITORS			
Amounts falling due within one year	17	<u>(466,527)</u>	<u>(323,141)</u>
NET CURRENT ASSETS		<u>158,507</u>	<u>(12,841)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,038,298	5,986,569
PENSION LIABILITY	21	<u>(33,000)</u>	<u>(123,000)</u>
NET ASSETS		<u><u>6,005,298</u></u>	<u><u>5,863,569</u></u>

The notes form part of these financial statements

NEWARK CARE (REGISTERED NUMBER: SC248341)

BALANCE SHEET - continued
31 MARCH 2022

FUNDS

20

Unrestricted funds:

General fund	1,583,341	1,379,907
Designated for future projects	456,107	456,107
Designated as capital reserve	3,577,149	3,583,233
Charity reserve fund	<u>100,000</u>	<u>100,000</u>
	<u>5,716,597</u>	<u>5,519,247</u>

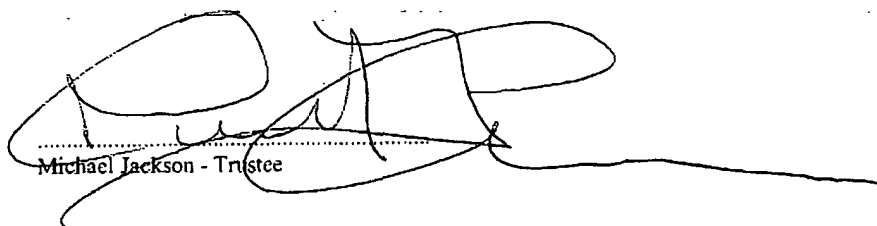
Restricted funds:

Restricted for staff welfare	655	655
Restricted element of capital reserve	285,534	338,646
Restricted for furniture purchase	962	3,471
Restricted for resident welfare	<u>1,550</u>	<u>1,550</u>
	<u>288,701</u>	<u>344,322</u>

TOTAL FUNDS

<u>6,005,298</u>	<u>5,863,569</u>
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The financial statements were approved by the Board of Trustees and authorised for issue on 30 March 2023 and were signed on its behalf by:



Michael Jackson - Trustee

NEWARK CARE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(84,239)</u>	<u>(397,903)</u>
Net cash used in operating activities		<u>(84,239)</u>	<u>(397,903)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(91,017)	(20,082)
Purchase of fixed asset investments		(392,205)	(452,905)
Sale of fixed asset investments		531,167	798,987
Interest received		<u>42,837</u>	<u>44,877</u>
Net cash provided by investing activities		<u>90,782</u>	<u>370,877</u>
Change in cash and cash equivalents in the reporting period		6,543	(27,026)
Cash and cash equivalents at the beginning of the reporting period		<u>90,326</u>	<u>117,352</u>
Cash and cash equivalents at the end of the reporting period		<u>96,869</u>	<u>90,326</u>

The notes form part of these financial statements

NEWARK CARE

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	71,729	60,399
Adjustments for:		
Depreciation charges	150,213	142,201
Gain on investments	(78,539)	(459,618)
Interest received	(42,837)	(44,877)
Deficit funding contributions paid	(21,000)	(20,000)
Pension finance charge	1,000	3,000
Increase in debtors	(308,191)	(127,929)
Increase in creditors	<u>143,386</u>	<u>48,921</u>
Net cash used in operations	<u>(84,239)</u>	<u>(397,903)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	<u>90,326</u>	<u>6,543</u>	<u>96,869</u>
	<u>90,326</u>	<u>6,543</u>	<u>96,869</u>
Total	<u>90,326</u>	<u>6,543</u>	<u>96,869</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Newark Care is a company limited by guarantee, incorporated in Scotland. The registered office is 32 Burnfield Road, Giffnock, Glasgow, G46 7PZ.

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£).

Going concern

Due to the nature of the entity's activities, challenges arising from the ongoing Covid-19 pandemic are considered to be the main risk that will affect the charity's development and financial position in the coming year. The trustees are actively monitoring the impact of the ongoing pandemic on the company's finances and the services it provides. The trustees are working closely with key management to ensure that the charity is in a position to operate effectively and efficiently and will seek ways to make cost savings where possible.

The trustees acknowledge that although uncertainty exists regarding the future potential impact of Covid, due to the high level of investments held which can be readily converted into cash, and having reviewed the charity's forecasts and projections, they have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements despite the uncertainty caused by the ongoing pandemic.

Judgements

The charity considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements. The trustees consider that there are no such significant judgements.

Information and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The charity does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

In particular, board charges are recognised in the period in which the related services have been provided.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES - continued

Income (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions applying have been met, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Costs of charitable activities are incurred on the provision of care services for the elderly and the operation of the residential homes, including the support costs and costs relating to the governance of the charity allocated to charitable activities.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fund-raising activities, including portfolio management fees.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated to expenditure on charitable activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Heritable property	- 2% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on reducing balance
IT and office equipment	- 33.3% on cost

Fixed assets are included in the balance sheet at cost less accumulated depreciation and impairment losses.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value like plant, property and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount which is the higher of value in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES - continued

Investments and related income

Investments are initially recognised at cost then subsequently at fair value, being the quoted market value. Realised gains and losses (representing the difference between sale proceeds and fair value at the previous financial year end or purchase cost if acquired during the financial year) and unrealised gains and losses (representing the movement in the fair value of investments over the financial year or from their date of purchase if acquired during the financial year) are recognised within income and expenditure in the Statement of Financial Activities.

Dividends and interest income are included as investment income when the charity has entitlement to the funds. Both dividend and interest income are included gross of applicable tax credits.

Investment property

The company holds a property for long term investment and rental purposes. Investment properties are accounted for as follows:

(i) Investment properties are initially recorded at cost which includes purchase cost and any directly attributable expenditure.

(ii) Thereafter, investment properties are revalued at each balance sheet date to their fair value, where this can be measured reliably.

(iii) The surplus or deficit arising on revaluation in the financial year is recognised in the profit and loss account for that year. Revaluation gains and losses are accumulated in the profit and loss account reserve, unless the revaluation amount exceeds original cost in which case, a transfer is made of the surplus to a non-distributable reserve (fair value reserve) in the balance sheet.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Funds held by the charity are either:-

Unrestricted funds comprising:

General funds - funds that can be used in accordance with the charitable objects at the discretion of the trustees; and

Designated funds - funds set aside by the trustees for specific future purposes or projects;

or

Restricted funds - either funds that can be used only for the particular purpose as specified by the donor or funds that have been raised for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in the Scottish Voluntary Sector Pension Scheme (the Scheme), a multi-employer defined benefit scheme where it is not possible to identify the share of underlying Scheme assets and liabilities belonging to individual employers. As the Scheme is in deficit and as a deficit funding arrangement is in place, the charity has recognised as a liability the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. Further details are given in note 21 to the financial statements.

The charity also operates a defined contribution pension scheme. Contributions payable to this pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in pooled investment vehicles.

Debt instruments like other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Investments in pooled investment vehicles are measured at fair value with changes recognised in profit and loss.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Operating lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Rentals received under operating leases are credited to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	17,547	74,514
Legacies	5,000	7,413
Grants	380,379	143,369
Covenants	<u>25</u>	<u>8,020</u>
	<u>402,951</u>	<u>233,316</u>

During the year, the charity received Coronavirus Job Retention Scheme grants of £36,991 (2021: £98,679); Covid payroll grant from the Scottish Government of £75,449 (2021: £nil); and in addition, the charity has recognised as accrued income at the year-end, additional grants receivable from East Renfrewshire Council relating to additional costs incurred due to the pandemic in respect of PPE and staff costs of £267,939 (2021: £44,690).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. DONATIONS AND LEGACIES - continued

As noted in the Strategic Report, the charity used to benefit from the involvement of a number of volunteers who gave freely of their time and skills to participate in a variety of different ways. Due to the impact of covid, the charity is no longer able to allow such activity.

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Festival donations	<u>21,870</u>	<u>25,223</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	9,163	8,400
Deposit account interest	15	44
Income from UK listed shares	<u>42,822</u>	<u>44,833</u>
	<u>52,000</u>	<u>53,277</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
	Care	£	£
Board charges		<u>4,167,948</u>	<u>3,230,189</u>

6. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Portfolio management	<u>21,261</u>	<u>20,873</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Care	<u>4,299,323</u>	<u>331,235</u>	<u>4,630,558</u>

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Care	<u>316,811</u>	<u>1,000</u>	<u>13,424</u>	<u>331,235</u>

Support costs, included in the above, are as follows:

Management

	2022 Care £	2021 Total activities £
Wages	242,017	217,377
Social security	25,170	20,593
Pensions	18,690	20,239
Rates and water	450	450
Insurance	325	325
Light and heat	3,000	3,000
Postage and stationery	40	615
Repairs	21,090	14,178
Travelling	3,364	350
Household and cleaning	400	400
Subscriptions	<u>2,265</u>	<u>2,265</u>
	<u>316,811</u>	<u>279,792</u>

Finance

	2022 Care £	2021 Total activities £
Pension finance charge	<u>1,000</u>	<u>3,000</u>

Governance costs

	2022 Care £	2021 Total activities £
Auditors' remuneration	10,770	10,000
Bank charges	<u>2,654</u>	<u>3,291</u>
	<u>13,424</u>	<u>13,291</u>

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	10,770	10,000
Depreciation - owned assets	150,213	142,201
Operating lease payments	<u>3,699</u>	<u>4,983</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

No trustees' remuneration or other benefits were paid during the year ended 31 March 2022 nor during the year ended 31 March 2021.

Trustees' expenses

No trustees' expenses were paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

11. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	3,437,213	2,946,234
Social security costs	199,566	186,689
Other pension costs	<u>69,572</u>	<u>67,988</u>
	<u>3,706,351</u>	<u>3,200,911</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Executive and administrative staff	6	6
Care staff and managers	<u>135</u>	<u>145</u>
	<u>141</u>	<u>151</u>

2 employees received emoluments of more than £60,000 during the year (2021 - 2).

During the year, total remuneration of £89,882 (2021: £84,633) was paid to key management personnel.

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and legacies	233,316	-	233,316
Charitable activities			
Care	3,230,189	-	3,230,189
Other trading activities	25,223	-	25,223
Investment income	53,277	-	53,277
Other income	<u>115</u>	<u>-</u>	<u>115</u>
Total	<u>3,542,120</u>	<u>-</u>	<u>3,542,120</u>
EXPENDITURE ON			
Raising funds	20,873	-	20,873
Direct charitable costs			
Care	<u>3,872,857</u>	<u>47,609</u>	<u>3,920,466</u>
Total	<u>3,893,730</u>	<u>47,609</u>	<u>3,941,339</u>
Net gains on investments	<u>459,618</u>	<u>-</u>	<u>459,618</u>
NET INCOME/(EXPENDITURE)	108,0089	(47,609)	60,399
Other recognised gains/(losses)			
Actuarial losses on defined benefit schemes	<u>(6,000)</u>	<u>-</u>	<u>(6,000)</u>
Net movement in funds	102,008	(47,609)	54,399
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>5,417,239</u>	<u>391,931</u>	<u>5,809,170</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>5,519,247</u></u>	<u><u>344,322</u></u>	<u><u>5,863,569</u></u>

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2021	5,675,293	110,635	323,565
Additions	-	11,215	32,851
At 31 March 2022	<u>5,675,293</u>	<u>121,850</u>	<u>356,416</u>
DEPRECIATION			
At 1 April 2021	1,873,176	80,999	235,417
Charge for year	94,592	8,406	44,267
At 31 March 2022	<u>1,967,768</u>	<u>89,405</u>	<u>279,684</u>
NET BOOK VALUE			
At 31 March 2022	<u>3,707,525</u>	<u>32,445</u>	<u>76,732</u>
At 31 March 2021	<u>3,802,117</u>	<u>29,636</u>	<u>88,148</u>
	Motor vehicles £	IT and office equipment £	Totals £
COST			
At 1 April 2021	41,390	18,630	6,169,513
Additions	-	46,951	91,017
At 31 March 2022	<u>41,390</u>	<u>65,581</u>	<u>6,260,530</u>
DEPRECIATION			
At 1 April 2021	39,412	18,630	2,247,634
Charge for year	495	2,453	150,213
At 31 March 2022	<u>39,907</u>	<u>21,083</u>	<u>2,397,847</u>
NET BOOK VALUE			
At 31 March 2022	<u>1,483</u>	<u>44,498</u>	<u>3,862,683</u>
At 31 March 2021	<u>1,978</u>	-	<u>3,921,879</u>

Included in the cost of heritable property is heritable land of £954,659 (2021 - £954,659) which is not depreciated.

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

14. FIXED ASSET INVESTMENTS

	UK quoted shares £	Non-UK quoted shares £	Totals £
MARKET VALUE			
At 1 April 2021	842,855	1,134,676	1,977,531
Additions	97,455	294,750	392,205
Disposals	(227,676)	(209,690)	(437,366)
Revaluations	23,749	(39,011)	(15,262)
At 31 March 2022	<u>736,383</u>	<u>1,180,725</u>	<u>1,917,108</u>
NET BOOK VALUE			
At 31 March 2022	<u>736,383</u>	<u>1,180,725</u>	<u>1,917,108</u>
At 31 March 2021	<u>842,855</u>	<u>1,134,676</u>	<u>1,977,531</u>

There were no investment assets managed outside the UK.

	2022 £	2021 £
Historical cost	<u>1,677,747</u>	<u>1,752,571</u>

15. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 April 2021 and 31 March 2022	<u>100,000</u>
NET BOOK VALUE	
At 31 March 2022	<u>100,000</u>
At 31 March 2021	<u>100,000</u>

The investment property is held for use under an operating lease. The trustees, who are not professional valuers, have considered the valuation of the investment property and are satisfied that the carrying value represents their opinion of the open market value at the balance sheet date.

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	200,150	97,914
Prepayments and accrued income	<u>328,015</u>	<u>122,060</u>
	<u>528,165</u>	<u>219,974</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	314,439	207,439
Social security and other taxes	48,532	45,084
Other creditors	12,713	12,098
Accruals and deferred income	<u>90,843</u>	<u>58,520</u>
	<u>466,527</u>	<u>323,141</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	4,463	1,671
Between one and five years	<u>3,006</u>	<u>47</u>
	<u>7,469</u>	<u>1,718</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	3,577,149	285,534	3,862,683	3,921,879
Investments	2,017,108	-	2,017,108	2,077,531
Current assets	621,867	3,167	625,034	310,300
Current liabilities	(466,527)	-	(466,527)	(323,141)
Pension liability	<u>(33,000)</u>	<u>-</u>	<u>(33,000)</u>	<u>(123,000)</u>
	<u>5,716,597</u>	<u>288,701</u>	<u>6,005,298</u>	<u>5,863,569</u>

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

20. MOVEMENT IN FUNDS

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	1,379,907	277,348	(73,914)	1,583,341
Designated for future projects	456,107	-	-	456,107
Designated as capital reserve	3,583,233	(94,593)	88,509	3,577,149
Charity reserve fund	<u>100,000</u>	<u>14,595</u>	<u>(14,595)</u>	<u>100,000</u>
	5,519,247	197,350	-	5,716,597
Restricted funds				
Restricted for staff welfare	655	-	-	655
Restricted element of capital reserve	338,646	(53,112)	-	285,534
Restricted for furniture purchase	3,471	(2,509)	-	962
Restricted for resident welfare	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>1,550</u>
	<u>344,322</u>	<u>(55,621)</u>	<u>-</u>	<u>288,701</u>
TOTAL FUNDS	<u><u>5,863,569</u></u>	<u><u>141,729</u></u>	<u><u>-</u></u>	<u><u>6,005,298</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	4,580,926	(4,452,117)	148,539	277,348
Designated as capital reserve	-	(94,593)	-	(94,593)
Charity reserve fund	<u>64,083</u>	<u>(49,488)</u>	<u>-</u>	<u>14,595</u>
	4,645,009	(4,596,198)	148,539	197,350
Restricted funds				
Restricted element of capital reserve	-	(53,112)	-	(53,112)
Restricted for furniture purchase	<u>-</u>	<u>(2,509)</u>	<u>-</u>	<u>(2,509)</u>
	<u>-</u>	<u>(55,621)</u>	<u>-</u>	<u>(55,621)</u>
TOTAL FUNDS	<u><u>4,645,009</u></u>	<u><u>(4,651,819)</u></u>	<u><u>148,539</u></u>	<u><u>141,729</u></u>

NEWARK CARE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	1,100,880	210,265	68,762	1,379,907
Designated for future projects	456,107	-	-	456,107
Designated as capital reserve	3,660,252	(94,593)	17,574	3,583,233
Charity reserve fund	<u>200,000</u>	<u>(13,664)</u>	<u>(86,336)</u>	<u>100,000</u>
	5,417,239	102,008	-	5,519,247
Restricted funds				
Restricted for staff welfare	655	-	-	655
Restricted element of capital reserve	383,746	(45,100)	-	338,646
Restricted for furniture purchase	5,980	(2,509)	-	3,471
Restricted for resident welfare	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>1,550</u>
	<u>391,931</u>	<u>(47,609)</u>	<u>-</u>	<u>344,322</u>
TOTAL FUNDS	<u>5,809,170</u>	<u>54,399</u>	<u>-</u>	<u>5,863,569</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	3,472,064	(3,715,417)	453,618	210,265
Designated as capital reserve	-	(94,593)	-	(94,593)
Charity reserve fund	<u>70,056</u>	<u>(83,720)</u>	<u>-</u>	<u>(13,664)</u>
	3,542,120	(3,893,730)	453,618	102,008
Restricted funds				
Restricted element of capital reserve	-	(45,100)	-	(45,100)
Restricted for furniture purchase	<u>-</u>	<u>(2,509)</u>	<u>-</u>	<u>(2,509)</u>
	<u>-</u>	<u>(47,609)</u>	<u>-</u>	<u>(47,609)</u>
TOTAL FUNDS	<u>3,542,120</u>	<u>(3,941,339)</u>	<u>453,618</u>	<u>54,399</u>

The charity reserve fund is exclusively for the support of those from the Jewish community who are reliant upon full local authority funding for their care. The maximum local authority rates do not cover the full cost of Newark Care's care home package. The value of the support given during the year, transferred back to general funds, was £14,595. Income to the fund comprised the proceeds of the 2022 Festival Appeal and income generated in the year from Newark Care's investment portfolio.

The designated capital reserve represents the unamortised balance on the acquisition of certain fixed assets, and in particular, the heritable property, on the grounds that such assets are essential for the continuing operation of the charity.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

20. MOVEMENT IN FUNDS - continued

The restricted element of the capital reserve fund represents the unamortised balance on the acquisition of certain fixed assets.

In prior years, funds totalling £5,980 had been received to be used to acquire dining furniture for one of the homes and of these funds £962 had not been utilised by 31 March 2022.

21. EMPLOYEE BENEFIT OBLIGATIONS

Scottish Voluntary Sector Pension Scheme

Newark Care participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit scheme which provides benefits to some 82 non-associated employers. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers and therefore, it is not possible for the company to obtain sufficient information to enable the Scheme to be accounted for as a defined benefit scheme. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total scheme assets. Therefore, it accounts for the Scheme as a defined contribution scheme.

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

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

The last full actuarial valuation of the Scheme was carried out at 30 September 2020. This valuation was certified on 21 December 2021 and showed assets of £153.3 million, liabilities of £160.0 million and a deficit of £6.7 million. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due. To eliminate this funding shortfall, the Trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the Scheme as follows:-

1 April 2022 to 31 May 2024 :- £1,507,960 per annum, payable monthly and increasing by 3% each year on 1 April

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Note that the Scheme's previous actuarial valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0 million, liabilities of £145.9 million and a deficit of £25.9 million. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the Scheme as follows:-

From 1 April 2019 until 30 September 2026:- £1,404,638 per annum, payable monthly and increasing by 3% each year on 1 April

From 1 April 2019 to 30 September 2027:- £136,701 per annum, payable monthly and increasing by 3% each year on 1 April

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

Discount rates applied were as follows:

	% pa
31 March 2022	2.30
31 March 2021	0.86
31 March 2020	2.57

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

Reconciliation of opening and closing provisions

	2022 £000s	2021 £000s
Provision at start of period	123	134
Unwinding of the discount factor (interest expense)	1	3
Deficit contribution paid	(21)	(20)
Remeasurements - change in assumptions	(1)	6
Remeasurements - change to contribution schedule	(69)	-
Remeasurements - amendments to contribution schedule	-	-
Provision at end of period	33	123

Income and expenditure impact

	2022 £000s	2021 £000
Interest expense	1	3
Re-measurements - impact of change in assumptions	(1)	6
Re-measurements - amendments to contribution schedule	(69)	-
Deficit contributions paid	(21)	(20)
Income and expenditure impact	(90)	(11)

Defined contribution pension scheme

The charity also operates a defined contribution pension scheme for employees. The amount paid in the year and charged to the Statement of Financial Activities amounted to £69,572 (2021: £67,988). At the year-end, the balance due to be paid over to the pension scheme amounted to £12,451 (2021: £11,272).

NEWARK CARE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

23. ULTIMATE CONTROLLING PARTY

The charitable company is controlled by the Board of Trustees.