

# **The Brendoncare Foundation**

## **Report and Consolidated Financial Statements**

**31 March 2021**



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COMPANIES HOUSE

### **The Brendoncare Foundation**

The Old Malthouse  
Victoria Road  
Winchester  
SO23 7DU

Tel: 01962 852133  
Fax: 01962 851506  
Email: [enquiries@brendoncare.org.uk](mailto:enquiries@brendoncare.org.uk)  
[www.brendoncare.org.uk](http://www.brendoncare.org.uk)

Company no: 01791733

Charity no: 326508

  
**BrendonCare**

# **The Brendoncare Foundation**

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**For the year ended 31 March 2021**

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## The Brendoncare Foundation

### Reference and administrative details

For the year ended 31 March 2021

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<b>Company number</b>	1791733
<b>Country of incorporation:</b>	England and Wales
<b>Charity number</b>	326508
<b>Country of registration:</b>	England and Wales
<b>Registered office and operational address</b>	The Old Malthouse Victoria Road Winchester SO23 7DU
<b>Patron</b>	Her Royal Highness The Countess of Wessex GCVO
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Joe MacHale Chair of Board and People Committee Jackie Bridges Resigned 4 <sup>th</sup> January 2021 Philip Dowson Appointed 8 <sup>th</sup> December 2020 Lee-Ann Fenge Fay Gillott Ian Jacobs Kellyn Lee Appointed 12 <sup>th</sup> September 2020 Mark Pullen Chair of Finance Committee David Parfitt Helen Roberts Sarah Hobhouse Chair of Care and Clinical Governance Committee David Stern Chair of Development Committee Phillip Sykes Appointed 9 <sup>th</sup> February 2021 Gordon Tillet Jane Williams
<b>Vice Patrons</b>	Nick Bosanquet Sir Anthony Newman-Taylor Janet Budd Lady Elisabeth Robeiro James Hill Sir Richard Storey Bt CBE DL Marie-Therese Hill Simon Theobalds The Viscount Lifford Harvey White (Chair) Nick McAndrew Peter Willan Jilly Morton Martin Williams
<b>Bankers</b>	Barclays Bank PLC 50 Jewry Street Winchester SO23 8TN

## **The Brendoncare Foundation**

### **Reference and administrative details**

#### **For the year ended 31 March 2021**

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**Solicitors** Coffin Mew LLP  
Lakeside, North Harbour  
Portsmouth, Hampshire, PO6 3EN

**Auditor** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House, 108-114 Golden Lane  
London  
EC1Y 0TL

<b>Management Team</b>	Chief Executive	Carole Sawyers until 30 June 2020
	Chief Executive	Marianne Wanstall from 1 July 2020
	Chief Financial Officer	Rachel McIlroy
	Chief Operating Officer	Zoe McCallum
	Head of Club Services	Samantha Agnew
	Human Resources Manager	Emma Hansford
	Head of Fundraising and Communications	Emma Digance

## **The Brendoncare Foundation**

### **Report of the Trustees**

#### **For the year ended 31 March 2021**

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The Trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on pages two and three forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

#### **Chief Executive Summary**

The past twelve months have been a year like no other for Brendoncare as the organisation has worked extremely hard to manage the impact of the Covid-19 pandemic. Whilst Brendoncare has continued to deliver its principle activities and worked to achieve objectives as detailed below, this was against a challenging background of heavy restrictions in care homes, the enforced closure of all clubs, the introduction of detailed and continually evolving guidance which has needed careful review and communication, the roll out of large scale testing which continues today and of course the vaccination programme. With care homes and clubs closed to visitors and members Brendoncare has had to invest in technology and additional resource to adapt and continue to provide support, including creating safe visiting spaces in homes, funding extensive infection control protocols and PPE, equipment to support virtual communications and resource for training.

Brendoncare is also very aware of impact on the mental health and well-being of its staff. The toll on care staff working throughout the pandemic cannot be under-estimated, in particular in the early stages of 2020 when there was a great deal of uncertainty and we saw the highest level of impact on residents. Our staff became family members when relatives were not allowed in and provided kindness and love in the darkest of times. We have provided a range of tools and resources for our staff to help with their resilience and well-being, and are extremely grateful to them all for their dedication and commitment every day.

*This report demonstrates that despite this exceptional background, we have been able to achieve a great deal and continued to help many older people in our communities through our charitable programmes. We thank everyone who has provided help and support throughout the year, to allow us to continue to achieve our aims.*

#### **OBJECTIVES AND ACTIVITIES**

##### **Purpose and Aims**

Our mission is to improve the quality of life for older people through the provision of care homes, housing with care and social clubs across the South of England.

Brendoncare's goals are:

- Being there – offering the care and support residents and club members need, when they need it.
- Understanding needs – providing individualised responses to needs, led by residents and members.
- Working with others – reaching out to individuals and organisations who share our commitment and who can add value to our services.
- Reducing loneliness – creating a family environment of fun and friendship in which everyone can contribute.

The Trustees have taken into account the Charity Commission's guidance on public benefit when reviewing Brendoncare's aims, objectives and activities.

## **The Brendoncare Foundation**

### **Report of the Trustees**

**For the year ended 31 March 2021**

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#### **Activities and Charitable Objectives**

During the year Brendoncare has strived to continue to meet the objectives of the charity and has adapted where necessary in light of the COVID-19 pandemic and government guidance in order to do this.

Brendoncare's principal activities and objectives include:

- Management of care homes in the South of England, to provide quality care in residential settings, currently benefiting around 400 older people.
- Managing and providing financial support to our volunteer-led friendship and well-being clubs, alleviating the impact of loneliness and social isolation for around 1,200 older people.
- Management of five housing with care services, currently supporting people in 140 housing with care apartments.
- The provision of charitable support through our Brendoncare promise to 'Care for Life' in our care homes, and through our clubs to provide support to the most financially vulnerable and socially isolated individuals in the communities we serve.

#### *Care homes and housing with care:*

In our care homes, the Care for Life promise is a charitable contribution that offers security and peace of mind to our residents and their families. We promise that we will continue to care for every individual as long as we are able to meet their care needs, even if a change in financial circumstances means that they are no longer able to pay the full fees. We are currently supporting 14% of residents, equalling a contribution of £796,000 towards the cost of those individuals' care in the last year. The Trustees are developing ways to expand access to our financial support for those who may need our services but who cannot pay the full fees.

Our care homes offer a full spectrum of care including specialist dementia care, nursing care, respite stays, residential and end of life care. In our housing with care schemes people live independently in their own home but with the option for us to provide appropriate support should they need it to help them maintain their independence.

We are continually investing to improve the facilities in our care homes and the build of the new Winchester care home at St Giles View commenced during the year.

#### *Friendship and well-being clubs:*

Brendoncare Clubs (a subsidiary of The Brendoncare Foundation) offers fun and friendship to older people across Hampshire and Dorset. All Brendoncare Clubs receive charitable funding from the Foundation to keep services affordable for members and our access fund also supports individuals who need extra help to be part of their local club, whether due to geographic or financial vulnerability. We currently have around 1,200 registered members, many of whom attend multiple clubs each week when they are able. As the COVID-19 pandemic began, the clubs service adapted at pace. Previously the service had provided meetings in person and quickly moved to providing online clubs, telephone support and helping people get online. In such unprecedented circumstances, the decision was made to provide these new services free of charge throughout the year but with a plan of introducing a new subscription based membership service in future.

We work closely with other organisations to ensure that those who need us most are able to find us. For many older people, their club is their only or primary source of social contact, and our club members confirm that their club is very important to them.

The Brendoncare Foundation supports Brendoncare Clubs with the provision of management services at a cost of £247,000 (2020: £223,000). This relates to staff time; predominantly fundraising and finance support and advice. In previous years a funding grant has been provided to bridge the gap between the

## **The Brendoncare Foundation**

### **Report of the Trustees**

#### **For the year ended 31 March 2021**

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direct cost of running the club service and the income received from subscription income, grants and donations. As a result of the overwhelming response to our emergency funding appeal, no such grant was required in the year (2020: grant of £180,000). Fundraising for Brendoncare Clubs saw its most successful year to date raising a total of £344,000 (2020: £215,000). We would like to thank all those who have donated and made it possible for our services to continue throughout this uncertain time and at no cost to the members.

The Brendoncare Foundation is committed to providing management services to Brendoncare Clubs. Brendoncare Clubs' strategy focuses on growing membership and community fundraising so that the cash grant will remain at a low level or not be required at all in future years.

#### *Volunteering:*

Our 400 volunteers are vital members of the Brendoncare team, and their crucial support of our services is recognised in our accreditation with, and as recipients of, the Investing in Volunteers award.

Volunteers donate not just their time, but also goods and services. In Clubs around 300 volunteers work closely with a small staff team to ensure that clubs are open each week, organising stimulating activity programmes to promote healthy lifestyles and independent living, as well as taking time to support and encourage involvement from individual members. In our care homes around 100 volunteers work closely with our residents, supporting them with activities and friendship, creating valuable relationships. We are also grateful to those volunteers who support our Central Office and those appointed as Trustees.

#### *Charitable focus and fundraising:*

The UK population is ageing quickly, with older people's need for care and support outweighing the services available. Brendoncare is committed to helping older people have the best possible experience in older age. Brendoncare already impacts the lives of over 2,000 people across the South of England, and there is much more to do.

We continue to focus on our charitable programmes, which aim to promote creative solutions to improving the services available to older people in our communities and far beyond:

- Care for life – ensuring older people have access to affordable, high quality health and social care
- Dementia – ensuring all those living with dementia, and their families, have the best possible quality of life throughout their journey
- Community – ensuring all older people feel valued and part of a fun and inclusive community

## **STRATEGIC REPORT**

In preparing this report, the Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 applicable to large companies.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Operating Review**

This year has seen significant challenges as we have adapted to the ongoing COVID-19 pandemic. On 19 March 2020, management made the very difficult decision to suspend all club meetings as a result of the COVID-19 pandemic and unfortunately the community clubs have remained closed throughout the year to 31st March 2021 and into the new financial year.

In response to the pandemic, Brendoncare Clubs set up a community support service to ensure members and volunteers are supported through this challenging period. Members have received over 18,000 phone

## **The Brendoncare Foundation**

### **Report of the Trustees**

#### **For the year ended 31 March 2021**

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calls, many have received written communication as well as being signposted to local community groups who can support with essential needs at this time.

We also introduced on-line clubs to enable members to still come together albeit under different circumstances. Around 400 club sessions have been held this way, with over 2,500 on-line attendances.

Clubs members have been contacted throughout the year to ensure they were safe and well, as well as to ensure they continued to feel included in their clubs and able to join on-line club meetings should they wish to. Door step deliveries of treats have even been arranged. This has also enabled us to break down some of the geographical barriers to clubs and means that even those who may not be well enough to leave their homes can attend.

Throughout the various lockdowns, the doors of our care homes have been closed to visitors making our staff an even more critical lifeline for residents as they were unable to see their loved ones. We have been supporting residents to contact their family by phone or video calls wherever possible and ensured both their physical and mental well-being needs are paramount. We continue to provide the high levels of quality care that we pride ourselves on, even whilst working in these challenging conditions. Staff have been more important than ever in providing social contact for residents, especially in periods of lockdown when visits had to be stopped altogether.

As we advance along the government's road map to recovery, we are pleased to be able to welcome more visitors back to the homes, albeit in a limited way and with the use of ongoing COVID-19 testing and PPE to continue to maintain the safety of all those involved.

Office staff have faced the challenges of continuing to support services whilst working from home for prolonged periods and adapting to very different ways of working.

We continue to offer support to all staff to protect their wellbeing and signpost them to any help available should they require it.

During the year, Brendoncare announced two significant changes to its property portfolio. The Trustees carefully considered the geographical coverage of the organisation and concluded that Brendoncare Woodhayes and Brendoncare Chiltern View fall outside of the area where the charity is best placed to focus its support for older people in the future.

For Brendoncare Woodhayes, its distance from the central support office in Winchester means that the organisation is not able to support the residents and staff in a way they would wish to do so. An offer was made by another provider to purchase the home during the year and the sale is ongoing at the date of signing the accounts.

In early March 2021, Brendoncare announced the proposal to close Brendoncare Chiltern View in Aylesbury. Again, its distance from the central support office in Winchester means that the organisation is not able to support the residents and staff in a way they would wish to do so. The property was leased and therefore Brendoncare was limited to what improvements could be made to the facilities. All residents were moved from the home to alternative accommodation by the end of April 2021 and the majority of staff also ceased employment by the end of April, with the final staff leaving by the middle of May 2021. Details of the restructuring costs included in the accounts are shown in note 7.

We are pleased to report that the build of the new site in Winchester has commenced and look forward to this opening in the second half of 2022. We continue to identify future sites for further Brendoncare services however our main development focus through this year and the coming year is on the membership scheme and community support.

Brendoncare would like to thank all staff and volunteers who have supported and continue to support residents and members through this challenging period and continue to do so and keep them at the forefront of everything we do.



## **The Brendoncare Foundation**

### **Report of the Trustees**

**For the year ended 31 March 2021**

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#### **Staff**

Brendoncare values the development and involvement of staff, with training and development opportunities that recognise the diversity of our workforce and their individual learning needs.

Brendoncare is committed to informing and consulting staff so that they can contribute to decisions about how we can deliver the best possible service. A regular bulletin is circulated to all staff and we conduct an annual staff survey. We celebrate success regularly through our 'Extra Mile Awards' and our annual event and although we were unable to hold our event this year, awards were still presented to staff for exceptional performance.

As an equal opportunities employer, Brendoncare treats every employee, volunteer or job applicant fairly, basing every decision solely on the abilities and aptitudes of the individual concerned in relation to the role or training opportunity.

#### **Remuneration Policy**

Pay differentials are related to the skill level required, workload, responsibilities, qualifications and external labour market forces. Our policy is that the ratio of the pay of the Chief Executive to the pay rates of the lowest paid member of staff will not exceed 10:1. The ratio is currently 6.5:1.

Pay reviews are undertaken annually, generally at 1 April. The annual review takes into account the following internal factors:

- The financial position and outlook for the business
- The staff turnover rate in general and in specific locations and jobs
- The usage and cost of agency staff
- Any other data that can inform the review

The annual review takes account of the following external factors:

- The general economic outlook, the position of the not-for-dividend and care sector labour markets
- The National Minimum Wage and the Living Wage
- The consumer prices index (CPI) and/or other cost of living indices
- The average earnings index (AEI)
- The annual pay survey of the National Care Forum and/or any other appropriate source of relevant benchmarking information
- Any other data that can inform the review

The People Committee take advice, guidance and information from such outside sources as may be necessary to review the pay of senior staff with substantial strategic responsibilities.

We have set up processes to ensure that we are able to meet the needs of Gender Pay Reporting. We are delighted to report a median gap of 0.0% compared to the national average of 15.5% in our latest report. The full report can be viewed on our website, [www.brendoncare.org.uk](http://www.brendoncare.org.uk)

#### **Volunteers**

As an accredited Investing in Volunteers organisation since 2009, volunteers continue to give substantial and welcome support to Brendoncare's care homes and clubs. Within the Clubs service, forums would usually be held with the volunteers in each geographical area at least twice a year, to enable them to communicate with management and have input into how the service is run for the members. As a result

## **The Brendoncare Foundation**

### **Report of the Trustees**

#### **For the year ended 31 March 2021**

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of the pandemic, this has not been possible during the year however we have maintained regular support and communication with all volunteers.

#### **Impact and Effectiveness**

Brendoncare measures the quality of care delivery through regular internal audits. Care Key Performance Indicators are monitored by the Care and Clinical Governance Committee. Through these internal audits and monitoring systems, we are seeing improvements in the results of inspections undertaken by CQC. Currently all 12 services which have been rated by CQC, are rated good.

#### **Energy and carbon reporting**

Brendoncare has collected evidence of the charity's environmental impact in accordance with the Streamlined Energy and Carbon Reporting (SECR) guidance. The data for the 12 months to 31<sup>st</sup> March 2021 is shown below.

During this period, energy usage totalled 6,186,368 kWh (2020: 6,483,167 kWh) which can be analysed further as follows:

- Electricity – 2,401,082 kWh (2020: 2,351,945)
- Gas – 3,529,057 kWh (2020: 3,726,710)
- Transport – 256,229 kWh (2020: 404,512)

Energy usage for electricity and gas is based on meter readings for actual consumption during the reporting period.

The figure noted above for transport relates solely to staff use of privately owned vehicles for business use, where Brendoncare has reimbursed the cost of this mileage. The usage for transport is based on the number of travel miles reimbursed to staff during the period.

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) for the reporting period was 1,208 tonnes (2020: 1,234 tonnes). This works out at a ratio of 3.0 tonnes per bed based on 402 beds available across all Brendoncare sites (2020: 3.1 tonnes).

Recommendations resulting from the ESOS audit and actions taken to improve energy efficient include:

- Developing a staff energy awareness campaign – including a September switch off with a prize for the best performing home
- Replacing existing lighting with LED energy efficiency lighting
- Fitting insulation to piping and pipe joints where not already in place

Many staff meetings are now being conducted via online video services as a result of the COVID-19 pandemic and we expect to continue this going forward.

Having good business relationships helps to ensure the smooth running of the charity and we are committed to working to a fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity.

The Board and senior management team regularly discuss the nature of relationships with key stakeholders and have clear engagement processes with suppliers and customers. We agree payment terms with all our business partners.

## The Brendoncare Foundation

### Report of the Trustees

#### For the year ended 31 March 2021

We recognise that sometimes things go wrong and Brendoncare has established a complaints policy and a process for ensuring all complaints are reviewed and addressed appropriately.

#### FINANCIAL REVIEW

The combined Consolidated Statement of Financial Activities and Income and Expenditure Account is set out on page 22. The net assets at the end of the year stood at £20,328,000 (2020: £21,132,000) and principally represents our investment in care home buildings. Of the balance of net assets, £2,684,000 is available as free cash.

The operating result for the year is shown in the table below:

	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Net movement in funds</b>	(£804,000)	£1,491,000
<b>Swaps adjustment</b>	(£49,000)	£165,000
<b>Other gains/expenses</b>	£961,000	(£532,000)
Operating result	£108,000	£1,124,000

The reduction year on year demonstrates the challenging operating conditions that Brendoncare has faced as a result of the pandemic. Brendoncare has experienced a reduction in occupancy of around 10% compared to usual levels resulting from the pandemic, broadly similar to that experienced by the sector. There is greater reluctance to move into a care home at this time as a result of government restrictions on visits and negative portrayal in the media of the impact of the pandemic on care homes. Consequently vacancies are taking longer to fill. We are focussing our efforts on marketing and promoting the homes, maintaining strong links to professional referrers such as local authorities, various NHS teams, private referral consultancies and directories to ensure that Brendoncare homes are the preferred choice when people are ready to make the decision to move in to care.

We have also experienced significant pressures on our costs. We have incurred additional staff costs to cover staff who have had to self-isolate or been advised to shield, although we have seen improvement in this over the course of the year as regular testing has become more prevalent and restrictions have been eased. We have benefitted from the ability to furlough staff who were unable to work as they were classed as extremely clinically vulnerable. In addition, the accounts include receipts totalling £1,142,000 for COVID-19 support and infection control funds provided through the local authorities and NHS. Without this support, the accounts would show an operating loss of £1,034,000.

At the start of the year there was a large increase in levels of PPE required as well as the cost of this. We are now able to access free PPE supplies through the government portal.

As noted above, the commitment to close the Chiltern View care home had been made and communicated prior to the end of the year. Therefore closure costs of £961,000 are included in the accounts and are shown as other expenditure in the Statement of Financial Activities. Further information regarding these costs are included in note 7.

As a result of the pandemic, the fundraising team launched an emergency fundraising appeal in order to support the clubs service for the benefit of the members and. As a result, donations and legacies of £428,000 were generated in the year (2020: £425,000) of which £344,000 was for the clubs service (2020: £215,000); the highest annual total raised for the service to date.

The Brendoncare Foundation supports the Clubs service by donating the support services of central office staff, including the fundraising team. Due to the fantastic level of donations generated, no funding grant

## **The Brendoncare Foundation**

### **Report of the Trustees**

#### **For the year ended 31 March 2021**

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was required this year to partially cover the costs of running the Brendoncare Clubs services (2020: grant of £180,000).

During the year, The Brendoncare Foundation has provided charitable support totalling £1,043,000 (2020: £1,138,000), including Care for Life and provision of management services to Brendoncare Clubs. The prior year figure also included a funding grant of £180,000 for to Brendoncare Clubs however no such grant has been required in the current year.

#### **GOING CONCERN**

The Trustees have reviewed the financial performance in the year to 31st March 2021 and also the financial budget to 31st March 2022 as well as financial and cash flow forecasts beyond this date.

Despite the impact of the pandemic, the Charity has made a modest operating surplus in the year to 31st March 2021 and substantial cash balances of £5,111,000 have been retained including cash designated to meet the obligations we have to the leaseholders of the apartments. This cash level is sufficient to meet the operating cash flow needs of the Charity for the coming 12 months and beyond; in the current year there has been a net outflow of £488,000 so even if this level of outflow were to continue, the balance would be sufficient for at least 12 months from the date of signing this report.

The budget for the coming 12 months anticipates an increase in occupancy as the market gains more confidence in the care home sector and we begin to recover from the pandemic. There are clear organisational objectives focussing on how this will be achieved. There are also expected to be further receipts of infection control funds to continue to support some of the additional costs being incurred for the ongoing testing requirements of all staff, residents and visitors.

In agreeing the budget the trustees consider the financial impact of a number of scenarios including:

- 10% reduction to the budgeted occupancy
- 20% reduction to budgeted fundraising income
- 3% increase to budgeted operating costs

They concluded that Brendoncare holds sufficient reserves to be able to absorb the impact of these scenarios should they occur.

Trustees have a reasonable expectation that Brendoncare has adequate resources to continue its operations for the foreseeable future and therefore concluded that it continues to be appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Assets and Investments**

Brendoncare's care homes are its principal assets. The changes in fixed assets during the year are set out in note 12.

The Trustees have wide investment powers conferred on them by the Memorandum of Association. In practice, however, these powers are little used as Brendoncare does not have any surplus funds, after meeting its charitable support requirements, with which to acquire long-term investment assets other than additions to its care asset base.

Temporary surpluses are invested in short-term cash deposits, and short-term property investments arise from time to time in the development of close care or total care living schemes. No such investments have been made during the financial year.

## **The Brendoncare Foundation**

### **Report of the Trustees**

#### **For the year ended 31 March 2021**

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##### **Cash, Borrowings and Interest**

Brendoncare maintains cash resources sufficient to ensure the safe and continuous running of the charity. The operating costs in the year to 31<sup>st</sup> March 2022 are expected to be £1,800,000 a month (£2,000,000 in the current year). Brendoncare's policy is to maintain cash resources sufficient to meet these operating cash flows for a minimum of 2 months. We are also required by our banking covenants to hold a minimum of £4,000,000 in cash.

Brendoncare's financial position at the end of the year remained strong. Net debt reduced to £9,523,000 (£10,005,000 as at 31 March 2020) as a result of loan repayments in the year. Net assets have reduced to £20,328,000 (2020: £21,132,000); however, this is largely as a result of the restructuring costs at Brendoncare Chiltern View.

Brendoncare's sterling bank debt of £12,623,000 (2020: £13,597,000) has maturity dates between 2023 and 2027 and is, in effect, a mix of fixed and variable interest rate loans. In managing Brendoncare's risks the Trustees consider that it is appropriate to mitigate the short-term risks to Brendoncare arising from possible adverse changes in interest rates, through the use of sterling interest rate swaps on a proportion of the borrowings. These are closely matched to the underlying debt profile. With the use of swaps, 67% of Brendoncare's bank debt as at 31 March 2021 has been converted, in effect, to fixed interest terms. Further information regarding the applicable interest rates is included within note 17.

##### **Reserves Policy**

Brendoncare requires significant property assets in order to meet its charitable aims. Of the total reserves of £20,328,000, £15,088,000 represents property assets net of the loan borrowings set against the properties to which they relate (property assets of £27,711,000 less bank loans including swaps adjustment of £12,623,000). These are included as designated reserves to more accurately reflect of the funds available in cash or that can be easily liquidated for use to meet the operating needs of the charity.

The Charity holds funds in relation to the sinking fund balances which we are obligated to hold for the leaseholders of the apartments to which they relate, in order to meet our obligations under the lease. These funds are included within designated funds and total £2,391,000.

Brendoncare holds sufficient unrestricted reserves to meet its charitable objectives in the short term. Free cash available for this purpose at 31<sup>st</sup> March 2021 totalled £ 2,684,000, (i.e. about 6 weeks operating costs).

##### **Fundraising Practices**

As part of our commitment to best practice, Brendoncare adheres to the standards set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints were received by the charity regarding fundraising activities.

Our fundraising policy clearly states all steps that should be followed in order to protect vulnerable people when offering support to the charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

The Trustees periodically review fundraising standards and compliance as part of the Board meetings.

## **The Brendoncare Foundation**

### **Report of the Trustees**

**For the year ended 31 March 2021**

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#### **FUTURE PLANS**

Brendoncare continues to make a difference to the health and well-being of older people through its innovative approach to developing and delivering new models of care which meet the needs and wishes of older people.

The key objectives for the year to 31 March 2022 include:

##### ***Recovery from the impact of the COVID-19 pandemic***

- Maintaining quality care and support for residents and facilitating visits from loved ones
- Supporting club members and volunteers as we look to safely reopen face to face club services
- Supporting staff and volunteer wellbeing as they continue to support both residents and club members as well as ensuring the charity operates smoothly

##### ***Launching Brendoncare Membership***

- Communicating membership benefits to existing club members
- Developing relevant membership services that will engage all our customers across the wider Brendoncare community

##### ***Improving occupancy at care homes***

- Engaging with local communities to build confidence in the homes following the impact of the pandemic

##### ***Reducing the use of agency staff***

- Working with homes to ensure there are robust systems in place to cover vacant shifts with our own staff wherever possible

##### ***Review, reflect and plan for future growth***

- Ensure that all projects and plans will underpin future growth and success

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Brendoncare maintains a risk register which is reviewed regularly by the Senior Leadership Team. The major risks to which Brendoncare is exposed are formally reviewed twice a year by the Board, and once annually by each of the Finance and Audit Committee and the Care and Clinical Governance Committee, quarterly in all. Systems are in place to manage those risks, and the implementation and effectiveness of those systems are reviewed regularly.

## The Brendoncare Foundation

### Report of the Trustees

For the year ended 31 March 2021

Key risk:	How managed:
<b>COVID-19:</b> Impact of the ongoing pandemic on the well-being of staff, residents, tenants, members and volunteers as well as the impact on costs and reduced occupancy on financial sustainability.	<p>Regular communication is maintained by all those working for Brendoncare, or benefitting from our service, enabling us to provide signposting to other organisations who may be able to provide support. Focus on the marketing and promoting of care homes beds will aid occupancy over the coming months as we are able to reopen the homes to visitors.</p> <p>Staff continue to be provided with PPE in line with Public Health England guidelines. All staff are subject to rigorous testing routines and residents are also tested monthly.</p> <p>The homes have now been opened up to visitors and we continue to apply the current guidelines in relation to numbers of visitors and where visits can take place. All visitors are also subject to the testing regime.</p> <p>Staff and volunteer welfare is paramount and we are ensuring that all staff have access to any support they may require to support their mental wellbeing at this time.</p> <p>A focus on ensuring sufficient cash to maintain the service through this period of uncertainty.</p>
<b>Service quality:</b> Delivering the accessible services that residents, mews tenants and club members want, at affordable prices, both now and in to the future.	<p>Surveys are undertaken with club members, residents and their relatives in order to provide us with important information about what they would like to see to assist with shaping the future of our services, and to continue to meet the needs of those who use them.</p> <p>Brendoncare membership will offer a range of services at an affordable price, support by the access fund where there continue to be financial barriers for some.</p>
<b>People:</b> Ensuring we have the right people with the right skills throughout the organisation to deliver the quality of services on which residents and club members can depend.	<p>We continually monitor recruitment and conduct interviews with leavers to ascertain what we can do better. Ensuring all staff and volunteers receive the required training and inductions to enable them to deliver the quality of services that we expect for residents and club members. Especially as we seek to reopen community clubs in the coming months.</p>

## The Brendoncare Foundation

### Report of the Trustees

For the year ended 31 March 2021

Key risk:	How managed:
<b>Financial Sustainability:</b> Managing our finances in a challenging environment, to ensure that we can continue to make an impact in the future and can invest in growth.	<p>Continue to market our homes, seeking to increase the levels of occupancy thereby maximising income. Forecasts are prepared and monitored monthly to ensure any financial issues are identified promptly and corrective action can be taken promptly.</p> <p>Marketing the membership scheme to the wider community to increase the number benefitting from the scheme and the membership income.</p>
<b>Regulatory Compliance:</b> Meeting the requirements of regulators including CQC, the charity commission, and fundraising regulator.	<p>Internal quality audits are performed regularly for all services to ensure they meet the standards required by CQC.</p> <p>Internal policies for Fundraising, Health and Safety and other areas are reviewed regularly to ensure regulatory compliance is maintained.</p>
<b>Reputation:</b> Demonstrating the values of Brendoncare and meeting ethical expectations of residents, club members, housing tenants, families, staff, volunteers, donors. Responding effectively to incidents that can damage reputation.	<p>Surveys are undertaken with residents, club members, volunteers, relatives and staff to enable any concerns to be identified on a timely basis. We have a documented complaints procedure in place to ensure that, should the need arise, they are appropriately addressed.</p> <p>Staff are regularly reminded of their responsibilities with regard to safeguarding policies.</p>
<b>Managing change:</b> Supporting capacity to develop, grow, innovate and change to remain fit for future purpose whilst embracing technology and digital skills.	<p>Annual and longer term plans are documented and shared with staff to enable Brendoncare to manage and support any necessary change. Project plans are documented for any significant changes to existing services.</p> <p>Staff will be provided within the necessary training and support to ensure Brendoncare remains innovative and forward looking.</p>

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 14 February 1984 and registered as a charity on 19 March 1984.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.



## **The Brendoncare Foundation**

### **Report of the Trustees**

#### **For the year ended 31 March 2021**

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All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

#### **Governance and Management**

The Trustees are Directors for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 2011.

The Trustees are required to be members of Brendoncare and are elected by approval of the members. The Board meets at least six times in a calendar year to agree strategic and policy matters, to approve investment projects and to review the operational performance of Brendoncare. During the year, all meetings have been held on line via video conferencing.

The Charity has four Committees which are delegated certain responsibilities from the Board and meet at least quarterly to review these: Finance and Audit, Care & Clinical Governance, Development, and People (formerly Remuneration). Responsibility for day to day operations is delegated to the Chief Executive, working within the framework of the approved strategy and business plan.

The Committees met as follows during the year to 31<sup>st</sup> March 2021:

- Board – seven meetings
- Care & Clinical Governance Committee – four meetings
- Finance and Audit Committee – eleven meetings
- Development Committee – ten meetings
- People Committee – one meeting

As part of its governance procedures the Board regularly reviews the skills mix of the Board and plans for any future retirements.

A Trustee appointed by the Board is appointed for a three-year term and is eligible for re-election at the end of this term. The Trustees have adopted a policy of limiting the total time in office to nine years, with certain exceptions for Committee Chairs.

Trustees receive induction training provided by Brendoncare's staff, and attend regular development sessions, provided by staff and third-party experts, to enhance their understanding of issues faced by the charity. On appointment, Trustees receive a handbook containing a broad range of information aimed at assisting them to gain a deeper and more structured understanding of their role and of Brendoncare, and this is updated regularly.

Brendoncare reviews its governance arrangements regularly by assessing itself against the criteria set out in various publications, including the Charity Commission's Charity Governance Code, and establishing an improvement programme based upon its findings.

In the event of a winding up, the members are liable to contribute an amount not exceeding £1 each.

## **The Brendoncare Foundation**

### **Report of the Trustees**

**For the year ended 31 March 2021**

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#### **Statement of responsibilities of the Trustees**

The Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) are responsible for preparing the report of the Trustees including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice 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 group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

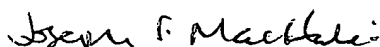
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Auditor**

Sayer Vincent LLP were reappointed as the charitable company's auditor and has expressed their willingness to continue in that capacity.

The report of the Trustees which includes the strategic report has been approved by the Trustees on 25<sup>th</sup> August 2021 and signed on their behalf by



Joe MacHale  
Chairman of Trustees

## **Independent auditor's report**

### **To the members of**

### **The Brendoncare Foundation**

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#### **Opinion**

We have audited the financial statements of Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 of the parent charitable company's affairs as at 31 March 2021 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

#### **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 group financial statements section of our report. We are independent of the group and parent 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 Brendoncare Foundation'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 other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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

## **Independent auditor's report**

### **To the members of**

#### **The Brendoncare Foundation**

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in the group 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable 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 statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 and the parent 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 group or the parent 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**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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,

## **Independent auditor's report**

### **To the members of**

#### **The Brendoncare Foundation**

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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 are set out below.

#### **Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditor's report**

### **To the members of**

### **The Brendoncare Foundation**

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#### **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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)  
28 September 2021  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

**The Brendoncare Foundation**

**Consolidated statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2021**

	Note	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
<b>Income from:</b>							
Donations and legacies	2	231	197	428	171	254	425
Coronavirus Job Retention Scheme	2	172	-	172	-	-	-
Charitable activities							
Care Homes and Housing with Care	3	24,106	-	24,106	25,300	-	25,300
Friendship and well-being clubs	3	15	-	15	156	-	156
Coronavirus support grants	3	61	1,081	1,142	-	-	-
Investments	4	4	-	4	17	-	17
<b>Total income</b>		<b>24,589</b>	<b>1,278</b>	<b>25,867</b>	<b>25,644</b>	<b>254</b>	<b>25,898</b>
<b>Expenditure on:</b>							
Raising funds	5	266	-	266	330	-	330
Charitable activities							
Care Homes and Housing with Care	5	23,778	1,245	25,023	23,578	168	23,746
Friendship and well-being clubs	5	293	177	470	614	84	698
Other expenditure	7	961	-	961	-	-	-
<b>Total expenditure</b>		<b>25,298</b>	<b>1,422</b>	<b>26,720</b>	<b>24,522</b>	<b>252</b>	<b>24,774</b>
<b>Net income/(expenditure) for the year and Net income before other recognised gains and losses</b>	6	(709)	(144)	(853)	1,122	2	1,124
Gain on sale of land	7	-	-	-	532	-	532
Valuation of interest rate swaps	18	49	-	49	(165)	-	(165)
<b>Net movement in funds</b>		<b>(660)</b>	<b>(144)</b>	<b>(804)</b>	<b>1,489</b>	<b>2</b>	<b>1,491</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		17,490	3,642	21,132	16,001	3,640	19,641
<b>Total funds carried forward</b>		<b>16,830</b>	<b>3,498</b>	<b>20,328</b>	<b>17,490</b>	<b>3,642</b>	<b>21,132</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

# The Brendoncare Foundation

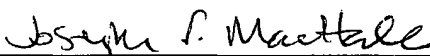
## Balance sheets


Company no. 01791733

As at 31 March 2021

		The group		The charity	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed assets:</b>					
Tangible assets	12	35,012	35,795	34,918	35,691
Investments	13	-	-	-	-
		<b>35,012</b>	35,795	<b>34,918</b>	35,691
<b>Current assets:</b>					
Debtors due within one year	15	1,848	1,919	1,863	2,214
Cash at bank and in hand		5,111	5,599	4,971	5,249
		<b>6,959</b>	7,518	<b>6,834</b>	7,463
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	(5,971)	(5,525)	(5,953)	(5,513)
<b>Net current assets</b>		<b>988</b>	1,993	<b>881</b>	1,950
<b>Total assets less current liabilities</b>		<b>36,000</b>	37,788	<b>35,799</b>	37,641
Creditors: amounts falling due after one year	17	(15,451)	(16,386)	(15,457)	(16,386)
Interest rate swap liability	18	(221)	(270)	(221)	(270)
<b>Total net assets</b>	20	<b>20,328</b>	21,132	<b>20,121</b>	20,985
<b>Funds:</b>	21				
Restricted income funds		3,498	3,642	3,421	3,545
Unrestricted income funds:					
Designated funds		14,904	14,946	14,774	14,896
General funds		2,684	3,260	2,684	3,260
Interest rate swap reserve		(758)	(716)	(758)	(716)
<b>Total unrestricted funds</b>		<b>16,830</b>	17,490	<b>16,700</b>	17,440
<b>Total funds</b>		<b>20,328</b>	21,132	<b>20,121</b>	20,985

Approved by the Trustees on 25th August 2021 and signed on their behalf by

  
 Joe MacHale  
 Chairman

  
 Mark Pullen  
 Trustee



**The Brendoncare Foundation**

**Consolidated statement of cash flows**

**For the year ended 31 March 2021**

**Reconciliation of net income to net cash flow from operating activities**

	<b>2021</b>		<b>2020</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net (expenditure)/income for the reporting period (as per the statement of financial activities)</b>	<b>(804)</b>		1,491	
Depreciation charges	<b>1,582</b>		1,470	
Surplus on disposal of fixed assets	-		(519)	
Swaps valuation movement	<b>(49)</b>		165	
Impairment of fixed assets	<b>141</b>		-	
Decrease/(increase) in debtors	<b>71</b>		(517)	
Increase in creditors	<b>491</b>		488	
<b>Net cash provided by operating activities</b>		<b>1,432</b>		2,578
<b>Cash flows from investing activities:</b>				
Purchase of fixed assets	<b>(905)</b>		(1,809)	
Assets under construction	<b>(35)</b>		(152)	
Proceeds from sale of fixed assets	-		2,282	
<b>Net cash used in investing activities</b>		<b>(940)</b>		321
<b>Cash flows from financing activities:</b>				
Finance lease payment	<b>(55)</b>		(51)	
Repayments of borrowing	<b>(925)</b>		(874)	
<b>Net cash provided used in financing activities</b>		<b>(980)</b>		(925)
<b>Change in cash and cash equivalents in the year</b>		<b>(488)</b>		1,974
Cash and cash equivalents at the beginning of the year		<b>5,599</b>		3,625
<b>Cash and cash equivalents at the end of the year</b>		<b>5,111</b>		5,599

**Analysis of cash and cash equivalents and of net debt**

	at 1 April 2020 £'000	Cash flows £'000	Other non- cash changes £'000	at 31 March 2021 £'000
Cash at bank and in hand	5,599	(488)	-	5,111
<b>Total cash and cash equivalents</b>	5,599	(488)	-	5,111
Loans falling due within one year	924	-	-	924
Loans falling due after more than one year	12,723	(925)	(49)	11,749
Finance lease falling due within one year	(10)	-	7	(3)
Finance lease falling due after more than one year	2,017	(55)	52	2,014
<b>Total borrowings</b>	15,654	(980)	10	14,684
<b>Net debt</b>	(10,055)	492	(10)	(9,573)

## **The Brendoncare Foundation**

### **Notes to the financial statements**

**For the year ended 31 March 2021**

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#### **1 Accounting policies**

##### **a) Statutory information**

The Brendoncare Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Malthouse, Victoria Road, Winchester, SO23 7DU.

##### **b) 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 (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Brendoncare Enterprises Limited, Brendoncare Clubs and the dormant subsidiaries Meadway Houses (Winchester) Limited and Brendon Nursing Trust Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period as documented in the report of the Trustees.

##### **c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

##### **d) Going concern**

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Further detail on the trustees' assessment of going concern is included in the trustees' report.

##### **e) Income**

Income is recognised when 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 that the amount can be measured reliably.

Income from charitable activities comprises of income from the provision of health and social care to older people. For the care homes, it is stated after deducting charitable support by the Foundation, as the latter is regarded as a sales discount, under generally accepted accounting practice, rather than grant expenditure.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations comprise charitable grants received from trusts and statutory bodies, together with legacies and donations mainly from individuals.

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 Charity 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 received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Coronavirus job retention scheme income and other coronavirus support income is recognised when 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 that the amount can be measured reliably.

**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. There is more information about their contribution in the Report of the Trustees.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

**i) Expenditure and irrecoverable VAT**

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 obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs that are not directly attributable to support, governance or activities for generating voluntary income, are allocated based on a proportion of staff costs.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on an estimate of staff time attributable to each activity.

**k) Interest payable**

Interest is accrued and included in the consolidated statement of income and expenditure of the period for which it is receivable or payable. Interest payable includes the accrued interest differentials on interest rate swaps. The swaps are marked to market, with any valuation gains and losses accounted for through the statement of financial activities and are measured at fair value.

Interest payable on loans taken out specifically to fund the site purchase and construction costs of new tangible fixed assets is capitalised up to the date of completion of the project.

**Notes to the financial statements**

**For the year ended 31 March 2021**

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**1 Accounting policies (continued)**

**l) Leases**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are with the group are capitalised in the balance sheet and are depreciated over the lease term. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of financial activities so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental charges payable under operating leases are charged on a straight line basis over the term of the lease.

**m) Tangible fixed assets**

Fixed assets are stated at the lower of their cost, being the purchase price together with any incidental expenses of acquisition, and their recoverable amount.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold land	Unlimited
Freehold buildings	50 years
Leasehold buildings	50 years
Building improvements	25 - 50 years
Furniture, fittings and equipment	5 - 8 years
Leasehold improvements	Over the remaining lease
Plant and machinery	25 years
Communications equipment	8 years
Computer equipment and software	3 years
Assets under construction	Not depreciated

Grants for fixed assets are recognised in the financial statements as incoming resources. If the criteria for certainty and measurability are not met, grants are treated as deferred income and disclosed as a liability in the balance sheet.

**n) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**o) Cash at bank and in hand and current asset investments**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**p) 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.

**1 Accounting policies (continued)**

**q) Financial instruments**

The Charity has both financial assets and financial liabilities of a kind that qualify as basic financial instruments and other financial instruments in the form of interest rate swaps and finance leases.

Interest rate swaps are held to manage the risks arising from fluctuations in interest rates.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**r) Pensions**

Brendoncare enrolls all employees, who meet the criteria, into the auto-enrolment pension scheme after two months' service.

The group also operates a defined contribution pension scheme for longer serving staff which is closed to new entrants. The scheme is stakeholder compatible.

**s) Sinking funds**

Sinking funds comprise the contributions, together with interest less attributable expenditure, made upon the surrender of leases in the Charity's housing developments. These contributions are for the cost of renewals, replacements, improvements and other items of capital expenditure not covered by service charges. These funds are classified as Designated Funds in these accounts.

**The Brendoncare Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2021**

**2 Income from donations and legacies**

	Unrestricted £'000	Restricted £'000	<b>2021 Total £'000</b>	Unrestricted £'000	Restricted £'000	<b>2020 Total £'000</b>
Gifts	227	197	<b>424</b>	168	229	397
Legacies	4	-	<b>4</b>	3	-	3
Hampshire County Council Grant	-	-	<b>-</b>	-	25	25
Sub-total	231	197	<b>428</b>	171	254	425
Coronavirus Job Retention Scheme	172	-	<b>172</b>	-	-	-
	<b>403</b>	<b>197</b>	<b>600</b>	<b>171</b>	<b>254</b>	<b>425</b>

**3 Income from charitable activities**

	Unrestricted £'000	Restricted £'000	<b>2021 Total £'000</b>	Unrestricted £'000	Restricted £'000	<b>2020 Total £'000</b>
<b>Care Homes and Housing with Care</b>						
Care fee income	23,465	-	<b>23,465</b>	24,695	-	24,695
Sinking fund income	188	-	<b>188</b>	180	-	180
Other ancillary services	453	-	<b>453</b>	425	-	425
Sub-total	24,106	-	<b>24,106</b>	25,300	-	25,300
<b>Friendship and well-being clubs</b>						
Club subscriptions	-	-	<b>-</b>	145	-	145
Other ancillary services	15	-	<b>15</b>	11	-	11
Sub-total	15	-	<b>15</b>	156	-	156
<b>Coronavirus Support Grants</b>						
Local authority funding grants	61	1,081	<b>1,142</b>	-	-	-
Sub-total	61	1,081	<b>1,142</b>	-	-	-
Total income from charitable activities	24,182	1,081	<b>25,263</b>	25,456	-	25,456

**4 Income from investments**

	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
General fund deposits	<b>4</b>	17
	<b>4</b>	17

All income is unrestricted.

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (current year)

	Charitable activities					2021 Total £'000	2020 Total £'000
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000	Other expenditure £'000	Governance £'000		
Staff costs	212	15,151	240	260	47	15,910	13,880
Staff support costs	44	1,286	109	-	-	1,439	1,133
Agency and consultancy	-	2,423	-	-	-	2,423	3,245
Total staff costs (note 8)	256	18,860	349	260	47	19,772	18,258
Repairs & maintenance	-	838	4	460	-	1,302	932
Food and household goods	-	881	2	-	-	883	916
Utilities	-	661	3	-	-	664	646
Interest payable	-	400	-	-	-	400	451
Training costs	1	119	1	-	-	121	94
Stationery and communication costs	1	111	7	-	-	119	161
Transport and travel costs	-	15	3	-	-	18	90
Chemist and medical supplies (PPE)	-	327	-	-	-	327	178
Insurance	-	135	1	-	-	136	109
Regulatory costs	-	79	-	-	-	79	81
Activity costs	-	31	8	-	-	39	128
Staff recruitment	-	29	-	-	-	29	64
Legal and professional	-	184	-	100	-	284	27
Marketing costs	-	20	-	-	-	20	23
Reversal of bad debt provision	-	(90)	-	-	-	(90)	-
Other costs	8	36	9	-	-	53	160
Disposal/impairment of fixed assets	-	-	-	141	-	141	13
Audit and accountancy	-	-	-	-	35	35	36
	266	22,636	387	961	82	24,332	22,367
Premises and equipment support costs	-	754	52	-	-	806	937
Depreciation	-	1,422	14	-	-	1,436	1,426
Depreciation in support costs	-	136	10	-	-	146	44
	-	1,558	24	-	-	1,582	1,470
Governance costs	-	75	7	-	(82)	-	-
<b>Total expenditure 2021</b>	<b>266</b>	<b>25,023</b>	<b>470</b>	<b>961</b>	<b>-</b>	<b>26,720</b>	<b>-</b>
Total expenditure 2020	330	23,746	698	-	-	-	24,774

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2021

5b Analysis of expenditure (prior year)

	Charitable activities			Governance £'000	2020 Total £'000
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000		
Staff costs	237	13,339	265	39	13,880
Staff support costs	55	949	129	-	1,133
Agency and consultancy	-	3,245	-	-	3,245
Total staff costs (note 8)	292	17,533	394	39	18,258
Repairs & maintenance	-	929	3	-	932
Food and household goods	-	902	14	-	916
Utilities	-	641	5	-	646
Interest payable	-	451	-	-	451
Training costs	1	88	5	-	94
Stationery and communication costs	6	150	5	-	161
Transport and travel costs	5	43	42	-	90
Chemist and medical supplies	-	178	-	-	178
Insurance	-	108	1	-	109
Regulatory costs	-	81	-	-	81
Activity costs	-	80	48	-	128
Staff recruitment	-	64	-	-	64
Legal and professional	-	24	3	-	27
Marketing costs	3	20	-	-	23
Other costs	23	68	69	-	160
Disposal of fixed assets	-	12	1	-	13
Audit and accountancy	-	-	-	36	36
	330	21,372	590	75	22,367
Premises and equipment support costs	-	848	89	-	937
Depreciation	-	1,418	8	-	1,426
Depreciation in support costs	-	40	4	-	44
	-	1,458	12	-	1,470
Governance costs	-	68	7	(75)	-
<b>Total expenditure 2020</b>	<b>330</b>	<b>23,746</b>	<b>698</b>	<b>-</b>	<b>24,774</b>



# The Brendoncare Foundation

## Notes to the financial statements

### For the year ended 31 March 2021

#### 6 Net income for the year

This is stated after charging/(crediting):

	2021 £'000	2020 £'000
Depreciation	1,582	1,470
Profit on disposal of fixed assets	-	(519)
Interest payable	351	451
Impairment of assets (see note 7)	141	-
Operating lease rentals:		
Property	149	149
Other	2	5
Auditor's remuneration (excluding VAT):		
Audit	29	30
Other services	6	2
	<u>19,772</u>	<u>18,258</u>

#### 7 Other expenses

At 31 March 2021, an announcement had been made to close Chiltern View care home in Aylesbury. Costs of £961,000 have been accrued in relation to the expected costs of the closure including redundancy costs, dilapidations, legal fees and asset write offs.

During the prior year, land with a book value of £1,750,000 was sold at a surplus of £532,000. This is included within the profit on disposal figure in note 6.

#### 8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £'000	2020 £'000
Salaries and wages	15,404	13,521
Redundancy and termination costs (see note 7)	260	28
Social security costs	1,331	1,144
Pension contributions	354	320
Agency staff costs	2,423	3,245
	<u>19,772</u>	<u>18,258</u>

The company operates a defined contribution pension scheme. At the year end, payments totalling £66,000 (2020: £65,000) were outstanding and included within other creditors.

The key management personnel of the charitable company comprise the Trustees and the Management Team as listed on page 3. The total employee benefits including national insurance and pension contributions of the key management personnel were £525,000 (2020: £494,000).

Indemnity insurance is maintained to protect the Charity and to indemnify Trustees, Officers and Staff against the consequences of any neglect or default on their part. The cost involved is £7,000 (2020: £4,000). No Charity Trustee received any remuneration or payment for professional or other services supplied to the Charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,000 (2020: £3,000) incurred by one (2020: three) member relating to attendance at meetings of the Trustees.

## The Brendoncare Foundation

### Notes to the financial statements

#### For the year ended 31 March 2021

#### 8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose remuneration, including benefits but excluding pension contributions, fell within the following bands (over £60,000) was:

	2021 No.	2020 No.
£120,000 - £130,000	-	1
£90,000 - £100,000	2	2
£80,000 - £90,000	1	-
£70,000 - £80,000	2	-
£60,000 - £70,000	-	2

#### 9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Raising funds	6	8
Care homes	710	665
Friendship and well-being clubs	10	12
Volunteering	1	1
Support and governance	40	34
	<b>767</b>	720

#### 10 Related party transactions

The related parties of The Brendoncare Foundation include the Trustees. Trustees made no restricted donations during the year (2020: £nil). There were no other related party transactions.

#### 11 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Brendoncare Enterprises Limited is not exempt, however it would gift aid any available profits to the parent Charity.

**The Brendoncare Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2021**

**12 Tangible fixed assets**

**The group**

	Freehold property £'000	Long leasehold £'000	Assets under construction £'000	Fixtures, fittings and equipment and leasehold improvements £'000	Computer equipment & software £'000	<b>Total £'000</b>
<b>Cost</b>						
At the start of the year	32,940	2,000	306	9,368	855	<b>45,469</b>
Additions in year	182	-	35	403	320	<b>940</b>
Impairment of assets	-	-	-	(141)	-	<b>(141)</b>
Disposals in year	-	-	-	(1)	(243)	<b>(244)</b>
At the end of the year	<u>33,122</u>	<u>2,000</u>	<u>341</u>	<u>9,629</u>	<u>932</u>	<b><u>46,024</u></b>
<b>Depreciation</b>						
At the start of the year	4,790	63	-	4,210	611	<b>9,674</b>
Charge for the year	621	40	-	782	139	<b>1,582</b>
Eliminated on disposal	-	-	-	(1)	(243)	<b>(244)</b>
At the end of the year	<u>5,411</u>	<u>103</u>	<u>-</u>	<u>4,991</u>	<u>507</u>	<b><u>11,012</u></b>
<b>Net book value</b>						
<b>At the end of the year</b>	<u>27,711</u>	<u>1,897</u>	<u>341</u>	<u>4,638</u>	<u>425</u>	<b><u>35,012</u></b>
At the start of the year	<u>28,150</u>	<u>1,937</u>	<u>306</u>	<u>5,158</u>	<u>244</u>	<b><u>35,795</u></b>

The closing balance of assets under construction relates to the costs incurred for the redevelopment of The Old Parsonage site.

Land with a value of £6,496,000 (2020: £6,496,000) is included within freehold property and not depreciated; although regular impairment reviews are carried out.

Long leasehold property consists of 7 apartments sold to The Edward Gostling Foundation under a finance lease arrangement.

All of the above assets are used for charitable purposes.

The tangible fixed assets of the Charity comprise 99% of the Group's tangible fixed assets shown in the above table.

## The Brendoncare Foundation

### Notes to the financial statements

For the year ended 31 March 2021

#### 13 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Brendoncare Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	<b>Brendoncare Enterprises</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	-	2,325
Cost of sales	-	(1,793)
Gross profit	-	532
Administrative expenses	-	(13)
Operating profit/(loss)	-	519
Interest payable	-	(57)
Profit/(loss) on ordinary activities	-	462
Write off intercompany loan balance	-	1,235
Profit for the financial year	-	1,697
The aggregate of the assets, liabilities and funds was:		
Assets	<b>12</b>	325
Liabilities	-	(313)
Funds	<b>12</b>	12

Brendoncare Enterprises previously held development property for the development of care facilities. During the prior year, land with a book value of £1,750,000 was sold for a surplus of £532,000. The final balance of the loan from The Brendoncare Foundation was repaid in the year. Brendoncare Enterprises has been dormant throughout the current year.

The Brendoncare Foundation controls the following charitable company, limited by guarantee, by virtue of being the sole member:

	<b>Brendoncare Clubs</b>	
	<b>2021</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Income	<b>607</b>	774
Expenditure	<b>(548)</b>	(701)
Surplus	<b>59</b>	73
Assets	<b>231</b>	163
Liabilities	<b>(40)</b>	(32)
Net Assets	<b>191</b>	131

## The Brendoncare Foundation

### Notes to the financial statements

#### For the year ended 31 March 2021

#### 13 Subsidiary undertakings (continued)

During the year, The Brendoncare Foundation made grants to Brendoncare Clubs amounting to £247,000 (2020: £403,000). The fundraising support grant reduced from £180,000 to £nil. The remaining grant reflects management services provided by The Brendoncare Foundation totalling £247,000 (2020: £223,000).

The Brendoncare Foundation also controls Brendon Nursing Trust Limited and Meadway Houses (Winchester) Limited which are both currently dormant.

#### 14 Parent Charity

The parent Charity's gross income and the results for the year are disclosed as follows:

	2021 £'000	2020 £'000
Gross income	25,508	25,585
Result for the year	(863)	1,276

During the prior year, The Brendoncare Foundation reversed a provision of £320,000 against amounts due from Brendoncare Enterprises Limited as part of the loan to the subsidiary. This was included in debtors in the prior year and the amount was repaid during the year.

#### 15 Debtors

	The group		The Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	1,518	1,581	1,517	1,579
Amounts owed by subsidiaries	-	-	23	310
Other debtors	3	10	3	10
Prepayments & accrued income	327	328	320	315
	<b>1,848</b>	<b>1,919</b>	<b>1,863</b>	<b>2,214</b>

#### 16 Creditors: amounts falling due within one year

	The group		The Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans	924	924	924	924
Trade creditors	884	1,205	882	1,198
Amounts owed to subsidiaries	-	-	-	20
Taxation and social security	305	251	305	251
Other creditors	977	1,149	970	1,138
Accruals and deferred income	2,881	1,996	2,872	1,982
	<b>5,971</b>	<b>5,525</b>	<b>5,953</b>	<b>5,513</b>

# The Brendoncare Foundation

## Notes to the financial statements

For the year ended 31 March 2021

### 17 Creditors: amounts falling due after one year

	The group		The Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Amount due between two and five years:</b>				
Bank loans	4,333	4,746	4,333	4,746
Deferred income	24	24	24	24
	<b>4,357</b>	4,770	<b>4,357</b>	4,770
<b>Amounts due after five years:</b>				
Bank loans	7,145	7,657	7,145	7,657
Loans from NHS	50	50	50	50
Amounts due under finance leases	2,014	2,017	2,014	2,017
Deferred income	1,885	1,892	1,891	1,892
	<b>15,451</b>	16,386	<b>15,457</b>	16,386
<b>Secured creditors included in Notes 16 and 17</b>	<b>14,105</b>	15,301	-	15,301

Brendoncare purchased the Springfield site, Tooting, from the National Health Service for £1.6 million in 1989, wholly funded by a capital grant from the NHS. The NHS also made a grant towards building Ronald Gibson House on that site, bringing the capital grants to £1.75 million in total, secured by a charge on the property. As explained in Note 19, these grants have been treated as deferred income.

#### Banks loans

Each of the bank loans is secured by a first legal charge over one or more specified properties.

The loans are on a mix of fixed and variable rate terms (mostly related to LIBOR) and are repayable by instalments over the period 2014 to 2041. Sterling interest rate swaps entered into for the period 2020 to 2024 effectively convert part of the debt to fixed rate terms, as follows:

In £'000	2020/21	2019/20
Principal	£8,500	£8,500
Interest rate	3.0%	3.0%

In £'000	Expires within	Notional principal	Fair value asset	Fair value liability
Pay fixed for variable (3 month LIBOR)	1-5 years	£8,500	-	£221

#### Loans from the National Health Service

The Old Parsonage, Otterbourne

The loan agreement with Winchester Health Authority in respect of its loan of £50,000 stipulates that, in the event of the Otterbourne property being sold, or ceasing to be used as a Brendoncare home, the loan becomes repayable. The loan is non-interest bearing.

#### Finance leases

Finance leases are secured over the assets to which they relate.

# The Brendoncare Foundation

## Notes to the financial statements

For the year ended 31 March 2021

### 18 Interest rate swap liability

	The group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Opening balance	270	105	270	105
Fair value movement	(49)	165	(49)	165
	<b>221</b>	<b>270</b>	<b>221</b>	<b>270</b>

The interest rate swaps liability reflects the movement in the fair value of the interest rate swaps.

### 19 Deferred income

Deferred income comprises fee income paid in advance, deferred gain on the disposal of the apartments at Otterbourne Hill and the NHS grant as detailed in note 17.

	The group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	2,016	2,186	2,016	2,186
Amount released to income in the year	(102)	(680)	(102)	(680)
Amount deferred in the year	517	510	517	510
Balance at the end of the year	<b>2,431</b>	<b>2,016</b>	<b>2,431</b>	<b>2,016</b>

### 20a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	31,551	3,461	35,012
Net current assets/(liabilities)	2,684	(1,733)	37	988
Long term liabilities	-	(15,672)	-	(15,672)
<b>Net assets at the end of the year</b>	<b>2,684</b>	<b>14,146</b>	<b>3,498</b>	<b>20,328</b>

The balance of designated funds includes the interest rate swap reserve within long term liabilities.

### 20b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	32,245	3,550	35,795
Net current assets/(liabilities)	3,260	(1,359)	92	1,993
Long term liabilities	-	(16,656)	-	(16,656)
<b>Net assets at the end of the year</b>	<b>3,260</b>	<b>14,230</b>	<b>3,642</b>	<b>21,132</b>

**The Brendoncare Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2021**

**21a Movements in funds (current year)**

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers and other income and expenses £'000	At the end of the year £'000
<b>Restricted funds:</b>					
Alton	47	-	(1)	-	<b>46</b>
Tooting	712	-	(31)	-	<b>681</b>
East Grinstead	891	-	(27)	-	<b>864</b>
Knightwood	340	-	(6)	-	<b>334</b>
Otterbourne Hill	1,379	-	(29)	-	<b>1,350</b>
Other funds	273	1,278	(1,328)	-	<b>223</b>
<b>Total restricted funds</b>	<b>3,642</b>	<b>1,278</b>	<b>(1,422)</b>	<b>-</b>	<b>3,498</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Paul Woodhouse	1,031	-	(29)	-	<b>1,002</b>
Sinking funds	2,928	187	(55)	-	<b>3,060</b>
Operations fund	10,987	24,402	(25,074)	527	<b>10,842</b>
<b>Total designated funds</b>	<b>14,946</b>	<b>24,589</b>	<b>(25,158)</b>	<b>527</b>	<b>14,904</b>
<b>General funds</b>	<b>3,260</b>	<b>-</b>	<b>-</b>	<b>(576)</b>	<b>2,684</b>
<b>Total unrestricted funds</b>	<b>18,206</b>	<b>24,589</b>	<b>(25,158)</b>	<b>(49)</b>	<b>17,588</b>
<b>Interest rate swap reserve</b>	<b>(716)</b>	<b>-</b>	<b>(91)</b>	<b>49</b>	<b>(758)</b>
<b>Total funds</b>	<b>21,132</b>	<b>25,867</b>	<b>(26,671)</b>	<b>-</b>	<b>20,328</b>



**The Brendoncare Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2021**

**21b Movements in funds (prior year)**

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
<b>Restricted funds:</b>					
Alton	56	-	(1)	(8)	<b>47</b>
Tooting	744	-	(32)	-	<b>712</b>
East Grinstead	917	-	(26)	-	<b>891</b>
Knightwood	347	-	(7)	-	<b>340</b>
Otterbourne Hill	1,497	-	(28)	(90)	<b>1,379</b>
Other funds	79	254	(158)	98	<b>273</b>
<b>Total restricted funds</b>	<b>3,640</b>	<b>254</b>	<b>(252)</b>	<b>-</b>	<b>3,642</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Paul Woodhouse	1,058	-	(27)	-	<b>1,031</b>
Sinking funds	2,803	180	(55)	-	<b>2,928</b>
Operations fund	11,166	25,464	(24,401)	(1,242)	<b>10,987</b>
<b>Total designated funds</b>	<b>15,027</b>	<b>25,644</b>	<b>(24,483)</b>	<b>(1,242)</b>	<b>14,946</b>
<b>General funds</b>	<b>1,486</b>	<b>-</b>	<b>-</b>	<b>1,774</b>	<b>3,260</b>
<b>Total unrestricted funds</b>	<b>16,513</b>	<b>25,644</b>	<b>(24,483)</b>	<b>532</b>	<b>18,206</b>
<b>Interest rate swap reserve</b>	<b>(512)</b>	<b>-</b>	<b>(39)</b>	<b>(165)</b>	<b>(716)</b>
<b>Total funds</b>	<b>19,641</b>	<b>25,898</b>	<b>(24,774)</b>	<b>367</b>	<b>21,132</b>

**Purposes of restricted funds**

Restricted funds are those received by Brendoncare for a specific purpose as determined by the donor. Many of these have been used to support the building of care homes. The balances are as follows:

- Alton Fund - The balance on 31 March 2021, after depreciation, stood at £46,000 (2020: £47,000), and was fully invested in fixed assets for the Home.
- Ronald Gibson House Fund, Tooting - The balance on 31 March 2021 stood at £681,000 (2020: £712,000), all of which has been used to finance the development of the Home.
- Stildon Fund, East Grinstead - The balance on 31 March 2021 stood at £864,000 (2020: £891,000), which has been used for the development of the Home.
- Knightwood Fund - The balance on 31 March 2021 stood at £334,000 (2020: £340,000), and was fully invested in fixed assets for the Home.
- Otterbourne Hill Fund - The balance on 31 March 2021 stood at £1,350,000 (2020: £1,379,000) which was fully invested in the construction of the new care home.

## The Brendoncare Foundation

### Notes to the financial statements

#### For the year ended 31 March 2021

#### 21 Movements in funds (continued)

f) Other funds:

During the year Brendoncare Clubs received a grant of £89,000 from the National Lottery Community Fund towards the emergency appeal. This is included within other funds.

Grants of £25,000 and £5,000 have been received from the Gerald Palmer Eling Trust towards the Community Support Service and Otterbourne Hill care project respectively.

As a result of the COVID-19 pandemic, Brendoncare has received local authority and NHS support by way of COVID grants and infection control funds to support with mitigating the financial impact of the pandemic. These grants included restricted funds totalling £1,081,000 included in other funds. These fund have been fully spent in the year.

#### Purposes of designated funds

Designated fund are those relating to the properties used to generate income for The Brendoncare Foundation, which have not been restricted in any other way. Without these properties, Brendoncare would be unable to meet its charitable aims.

- g) Paul Woodhouse Fund - This fund comprises the net balance of the Paul Woodhouse Fund amounting to £1,031,000. In the event of disposal of any of the properties in which the Paul Woodhouse Fund was invested, the Trustees would intend to re-invest in further capital development the share of any proceeds attributable to that fund. The fund has reduced by £27,000 in the year as a result of depreciation charged.
- h) Sinking funds - these funds relate to the reserves for any capital repairs required to the leasehold apartments. The balances on 31 March 2021 stood at £1,463,000 (2020: £1,385,000) for Mary Rose Mews: £647,000 (2020: £655,000 ) for Old Parsonage Court £703,000 (2020: £640,000) for Knightwood Mews and £247,000 (2020: £248,000 ) for Stildon Mews.
- i) Operations Fund - The remaining fixed assets of Brendoncare, which are almost entirely devoted to delivery of its charitable activities, along with the cash, other assets and liabilities required to support these operations activities, are designated as they will remain invested for this purpose. This fund includes the remaining income and expenditure of Brendoncare that are not otherwise restricted or designated. The liabilities include bank loans and capital grants and loans from the National Health Service which, in substance, are only repayable in the event that the related care home ceases to be owned and operated by Brendoncare (see note 17). The balance of this fund on 31 March 2021 was £10,842,000 (2020: £10,987,000).

#### General funds

- j) The balance of this fund on 31 March 2021 stood at £2,684,000 (2020: £3,260,000). It comprises surplus cash balances which are retained for future investment in care homes. All fixed assets that have not been funded by restricted funds are in designated funds.
- k) **Interest rate swap reserve**  
The balance of this fund on 31 March 2021 stood at a deficit of £758,000 (2020: deficit £716,000). It comprises the fair value movement in the interest rate swaps, and the charge representing the difference in the variable interest rate on the loans compared with the fixed rate achieved through the swap.

#### 22 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Less than one year	77	149	3	4
One to five years	20	596	7	-
Over five years	40	3,789	-	-
	137	4,534	10	4

## 22 Operating lease commitments (continued)

The Charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Less than one year	24	144	3	4
One to five years	-	576	7	-
Over five years	-	3,744	-	-
	<b>24</b>	<b>4,464</b>	<b>10</b>	<b>4</b>

## 23 Capital commitments

At the balance sheet date, the group had no capital commitments. In the prior year there were commitments of £22,000 in respect of the redevelopment of The Old Parsonage and £247,000 in respect of replacement servers and computer equipment. The server upgrade was completed in the year.

## 24 Contingent assets or liabilities

As referred to in note 17, the purchase of the freehold site and part of the construction costs of Ronald Gibson House in Tooting were funded by capital grants made by the NHS in 1989. The contractual arrangements to which Brendoncare was a party in 1989 provided that in certain circumstances Brendoncare would be obliged to repay to the NHS a proportion of the current value of Ronald Gibson House at the time of any such claim.

£1.75 million is included in creditors as deferred income, reflecting that proportion of the net book value of the freehold that might become repayable. If the current value were to exceed the net book value at the time of such a claim, then the increase in asset value would fund the contingent liability thus arising.

## 25 Events after the balance sheet date

In July 2021, Brendoncare drew down a £2m Coronavirus Business Interruption Loan. There are covenants attached to this loan which have been considered as part of the going concern assessment.

## 26 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.