



ANNUAL REPORT & ACCOUNTS

2022 -2023

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Introduction

The Directors, who are the Trustees of Guild Care present their annual report and the accounts for the year ended 31 March 2023.

The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of The Housing SORP 2018 Statement of Recommended Practice for Social Landlords and The Accounting Direction for Private Registered Providers of Social Housing 2022.

Who's Who

Patrons

Tim Loughton MP

Derek Ridley

Trustees

Peter Kinsey (Chair)

Appointed to the Board of Trustees in March 2022. Peter worked in health and social care for 36 years prior to his retirement. His career included roles as a Director in the NHS, a local authority commissioner and, for the last 15 years, CEO of a national care provider supporting people with learning disabilities. Peter now works as a consultant advising organisations in health and social care and a coach for senior managers in addition to supporting several local charities. Peter has an MBA, an MA in the Management of Community Care and is an NLP Master Practitioner. Peter was appointed Chair in September 2022.

Guy Clinch (Deputy Chair)

Appointed to the Board of Trustees in September 2016. Guy is a chartered accountant. He served as Chair of the Board of Trustees for St Barnabas Hospices for 10 years. Guy was appointed Deputy Chair in March 2020.

Mark Davis

Appointed to the Board of Trustees in May 2016. Following a career of over 30 years in the financial services sector, Mark has now taken early retirement. His background includes significant experience in customer services roles, business change and business re-engineering, and IT consultancy at a senior management level. Originally from Newcastle upon Tyne, Mark has been a resident of Worthing for the past 35 years.

Bimal Desai

Appointed to the Board of Trustees in December 2020. Bimal is a solicitor and was a partner in a global law firm for over 22 years, based first in London and then in Dubai and Singapore. He has a keen interest in social care development and policy and enjoys tennis and sailing.

Eileen Houghton

Appointed to the Board of Trustees in November 2017. Eileen is a Chartered Accountant and was a partner at Carpenter Box, accountants specialising in the charity and not for profit sector. She has held several voluntary positions, including a brief time working with a charity in Ghana. She also comes from a nursing family, with both parents being trained nurses; in fact, her mother was matron at Guild Care homes in the 1980's/90's.

Rita Protopapa

Appointed to the Board of Trustees in June 2018. Rita is qualified in Business Administration and developed a career within the private and public sectors. Rita loves outdoor life, reading, and travelling and has an interest in disabilities and long-term conditions.

Tracey Wadey

Tracey is an experienced Registered Nurse, with a career spanning over 30 years within health and social care settings. She has extensive knowledge of Regulated services and a passion for truly person-centred care and quality service provision, with experience in both managerial and educational roles. Tracey currently works as Director of nursing and quality for an independent provider of health and social care. Having always lived in Worthing, Tracey feels passionate about supporting Guild Care as a local charity.

Bev Hone

September 2021 to April 2022

Bev joined the Board of Trustees in September 2021 after a long career working across health, housing and social care in the statutory and non-profit sectors. Due to other commitments Bev resigned from the Board in April 2022.

Cynthia Lyons

May 2018 to June 2022

Cynthia joined the Board of Trustees in May 2018. Having retired after 32 years in health services, Cynthia has spent her career working as a consultant in public health and was Director of Public Health for East Sussex. She was also a Board Member of the East Sussex Clinical Commissioning Groups and a statutory Chief Officer of East Sussex County Council. Cynthia resigned from the Board in June 2022.

Antonia Hopkins

October 2015 to September 2022

Appointed to the Board of Trustees in October 2015. Having retired after 42 years in the health service. Antonia trained as a nurse and went on to develop a career in Health Visiting NHS management and commissioning. She was the former strategic lead for Health Visiting for the South East of England. Antonia was appointed as Interim Chair in December 2019 and then appointed Chair in March 2020. Antonia resigned from the Board in September 2022.

The Directors, who are the Trustees of Guild Care, present their Annual Report and Accounts for the year ended 31st March 2023. The Trustees confirm that the Annual Report and Financial Statements of the company comply with current statutory requirements, the requirements of the company's governing document, and the provisions of The Housing SORP 2018 Statement of Recommended Practice for Social Landlords and The Accounting Direction for Private Registered Providers of Social Housing 2022.

Structure, Governance, and Management

Guild Care is a charitable company limited by guarantee and regulated by the Social Housing Regulator. The company was established under a Memorandum of Association which set out the objects and powers of the charitable company and it is governed under its Articles of Association.

Guild Care has considered the National Housing Federation Code of Governance 2020 and has complied with the code during the year.

The Board of Trustees sets the strategic direction of the charity and is responsible for its governance. Day to day operational responsibility is delegated to the Chief Executive. The charity has in place a governance manual that sets out the parameters for the delegation of responsibility and this is reviewed on an annual basis.

Trustees hold regular Board meetings and receive copies of monthly management accounts, quarterly KPIs, and reports on performance and sector developments. Annually two meetings are set aside specifically for strategic planning and development purposes.

Within the year the Board operates regular Organisational Development (OD) Committee meetings which support the Trustees' decision-making. The purpose of the OD Committee is to oversee a forward-looking programme of OD in respect of Guild Care's strategy and is required to oversee, monitor and review finance, retail, fundraising, human resources and infrastructure (property, systems, processes, governance, finance support).

Trustees continue to be recruited through an open process. New Trustees undergo a full induction programme, and all Trustees are regularly provided with opportunities to visit services where they can talk to staff members and users of our services. Guild Care annually reviews the skills mix of the Board and operates a succession planning process.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 of the accounts.

Guild Care operates a fully inclusive recruitment policy with appointments based solely on aptitude and ability. We are also fully committed to the continuing employment and development of any person who becomes disabled whilst within our employment.

Charity number: 1044658

Company number: 03021390

Housing and Community Number: LH4106

Principal address and registered office: Methold House, North Street, Worthing, West Sussex, BN11 1DU

Auditor, Crowe UK: Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

Solicitors, Griffith Smith LLP: 47 Old Steyne, Brighton, East Sussex, BN1 1NW

Senior Leadership Team

Alex Brooks-Johnson – Chief Executive

Warren Fabes – Deputy Chief Executive and Chief Financial Officer

Kevin Burke – Director of Care Homes

Claire Howell – Director of Community Services

Leanne Jones – Director of HR

Leszek Poplawski – Director of Safety & Compliance

Adam Rider – Director of Retail

Amanda Tucker – Director of Fundraising, Marketing & Engagement (Left June 2022)

Principal Risks and Uncertainties

Guild Care has in place a risk register and risk management process which enables Trustees to monitor key risks of the organisation on a regular basis. Trustees annually review the risk register before signing off the Statutory Accounts for the year.

The key risks identified are:

- Occupancy and resident mix in our care homes do not align to the budget, leading to Guild Care not being able to generate enough income to sustain the work of the charity.
- A serious safeguarding incident or multiple incidents that lead to an overarching adult safeguarding review affecting the whole organisation which, if deemed appropriate, could result in suspension or closure of services.
- National staffing shortages affect our ability to sustain our care services.
- Guild Care fails to implement adequate health and safety controls or keep its premises safe, which could result in a risk to health, serious injury or death of a service user, staff member, or the public.

Internal risks are mitigated through a performance management system that provides early identification of issues and the development of corrective actions plans. Procedures are also in place to promote the health and safety of staff, volunteers, residents, tenants, customers and visitors to all Guild Care sites. Our quality assurance framework has been developed in line with our main regulator's requirements (Care Quality Commission) to ensure the consistent quality and delivery of all operational aspects of the charity. All systems are periodically reviewed to ensure they continue to meet the needs of the charity.

During this financial year, one of our regulated services was inspected by the CQC. Caer Gwent returned a rating of Requires Improvement and the overall rating remained unchanged despite all previous issues being addressed and the report identifying significant improvements during a challenging period due to the Covid pandemic. We have challenged the findings with the Ombudsman due to the fact that we feel the overall rating is disproportionate with the findings of the inspection and due to a failure to follow their own process at the factual accuracy challenge.

Like all other social care organisations, Guild Care has been facing staff recruitment challenges in this financial year across all our services. This is a national issue and we took several actions to minimise the impact such as a retention bonus scheme, welcome payments for new staff and bonus payments for staff working additional shifts. We have taken these actions, alongside a comprehensive wellbeing support programme for the team, and an additional

focus at Senior Leadership level on both the management of our resources and the analysis of key performance indicators, at weekly review meetings.

Covid 19 remains a feature of our organisational risks and we continue to adopt a robust approach to infection control procedures but, thankfully, throughout this year we have seen a reduction in cases and services less restricted in their ability to operate and more interaction with relatives and carers.

Message from the Chair

I was appointed Chair in September 2022 at the AGM and having spent three months as a Trustee I must say how impressed I have been with what I have seen.

I have over 35 years of experience in health and social care including 15 years as CEO of one of the UK's largest care providers. Having visited Guild Care's services and meeting the staff, residents and service users, I continue to be reassured by the quality of the provision and the positivity of our people.

These are tough times for social care with expectations high to deliver more to more people, within a wider context of reduced funds from the state to pay for it all. In addition, we have a growing older population where dementia diagnoses are increasing at a startling rate, which in turn puts pressure on organisations like Guild Care to meet the need.

The strategy that we have set out to reduce social isolation and the social stigmas associated with older people, people living with dementia and children and adults with learning disabilities is incredibly exciting. We know that there are tens of thousands of people in Worthing who are in desperate need of the services and support we provide. Our plan is to increase the number of people we are able to reach over the next five years - we aim to do that through increasing the commercial returns from fundraising, retail, and our care homes to help us fund this.

In the past year, Creating Connections, our service to reduce social isolation in older people in Worthing, has grown to now support over 300 members who attend social and community groups all over the town. We have put together an ambitious plan to increase the number of active members because we know there are so many older people living in isolation, cut off from the vital services and support they need. We are collaborating with supporters from a variety of places to make this happen.

Despite the seemingly endless number of challenges that Guild Care face, I am delighted to report that 2022/23 was a year where we achieved so much, and I would like to take this opportunity to thank all our people and our volunteers for such a fantastic year which was delivered under the most challenging circumstances.

Can I also take the opportunity to thank our committed, wonderful team of Trustees who have been very welcoming. They are an incredibly talented and dedicated group of people who give up their time and energy to help support our CEO Alex and the management team as we forge ahead, stronger than ever, resolved as we are to combatting social isolation and social stigma in Worthing ensuring that nobody feels isolated.

Message from the CEO

After three years of being in the grips of Covid, we came up against some significant financial challenges with the rising costs of living and energy. I am really pleased to report that not only have we survived the continued tests of our resilience and tenacity, but I believe we have come out the other side an even stronger organisation.

Despite the challenges we have faced at Guild Care, I have been constantly amazed at the focus and dedication of our people. Whatever challenge we have been faced, our team have nothing but our service users, residents and clients in their minds. Our values shine through repeatedly which are echoed in surveys, in service-users focus groups and in the feedback we receive about our incredible organisation.

In 2022 we asked our service users whether we were reducing social isolation and were really encouraged that 78% of them said we were. We asked them again at the start of this year, and 82% of them said that we were reducing social isolation. The ability for Guild Care to evaluate and report on the impact of our services is one of the most transformational changes of last year, and a change which will enable us to improve our performance and effectiveness as we move forward.

This year is our 90th year. 90 years of working alongside the community providing care and support where it is needed the most. 90 years of working alongside dedicated and committed supporters who see the value in what we are achieving, and who themselves are committed to reducing social isolation and social stigma. I am really pleased that our new strategy, created during a global pandemic and financial uncertainty, remains firmly fixed on improving our social impact. We are proud to be Worthing's leading social care charity, and I am certain that the next 90 years will be even more incredible than the last.

Finally, we need your support. We cannot combat social isolation and social stigma alone and we need your help to do that. Whether you can fund an entire service, contribute a small amount each month, or even give us some of your time as a volunteer, whatever and however you can support us, please do, we cannot do it without you.

Thank you.

Financial Review of This Year

Summary

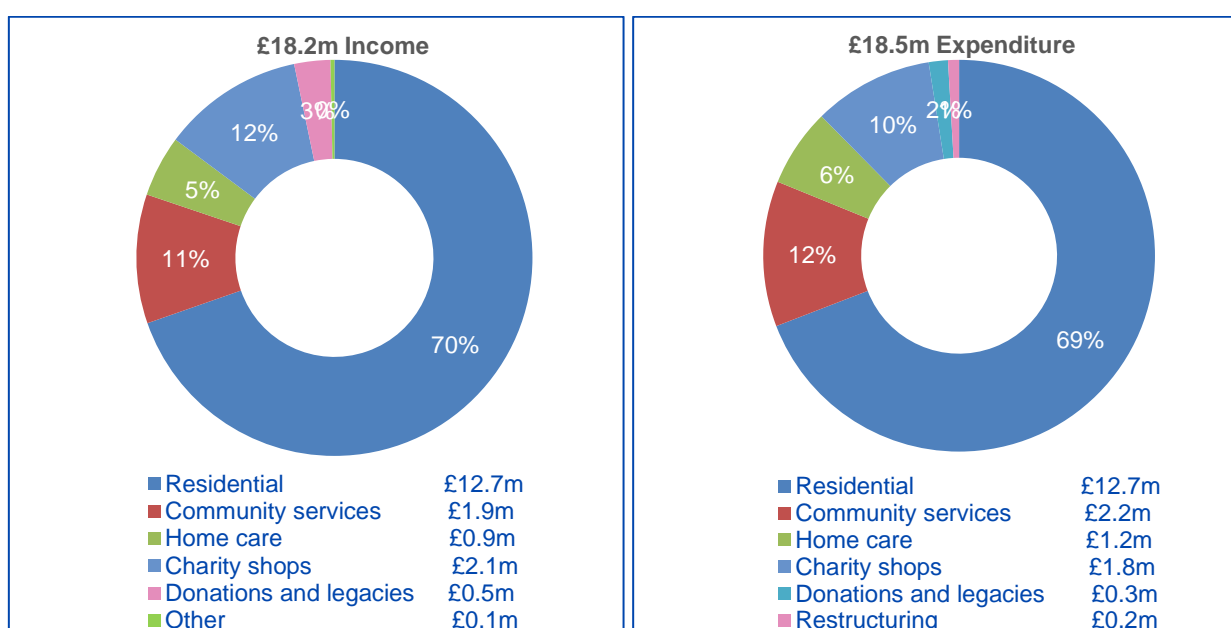
Total income for the year was £18,201,446 (2022: £15,819,539) which produced a deficit of £346,623 (2022: surplus of £125,907).

The 2022-year income included £517,539 of grants expected to be received in response to the Covid-19 pandemic which includes the Retail and Hospitality Grant Scheme, Adult Social Care Infection Control and Testing Fund and the Coronavirus Job Retention Scheme.

No new additional grants related to Covid-19 were received in 2023. The income in 2023 was however reduced by £1,765 since final Covid-19 grant amounted received relating to 2022 was £515,774 being £1,765 lower than the £517,539 expected and recognised in 2022.

The 2023 year has seen an increase of £2,381,907 in our total income from 2022 of £15,819,539 to the 2023 income of £18,201,446, despite the decrease in grants received in response to the Covid-19 pandemic falling £519,304.

The charts below show a summary of our income and expenditure in 2023:



Staff costs increased to £12,746,097 (2022: £10,884,892) and overall support costs relating to charitable activities increased to £2,226,788 (2022: £1,827,980). The total increased costs in part due to higher one-off restructuring costs of £167,958 (2022: £66,139) related to redundancy and payments in lieu of notice.

Guild Care's home occupancy and charity shop income grew post Covid-19. However, despite this and the increase in care home fees, our performance was impacted by difficulties in the recruitment of care staff, increased agency costs, higher energy costs, general inflation, increases in the minimum wage, lower legacy income and reduced Covid-19 grants. 2023 resulted in a deficit of £346,697, a significant decrease of £563,790 in our net income from the 2022 surplus of £217,093.

Overall funds were £8,212,367 (2022: £8,559,064) at year end.

Bank loans as at 31st March 2023 decreased to £8,125,031 (2022: £8,756,545).
Cash balances as at 31st March 2023 decreased to £2,676,564 (2022: £3,207,060).

Raising Funds

Donations & Legacies

Total donations & legacy income was £536,658 (2022: £639,790) which included legacies of £222,400 (2022: £465,167) giving a surplus of £243,373 (2022: £351,671 surplus) when taking into account the cost of raising funds. Total donations and legacies included £206,080 (2022: £78,217) of restricted income.

Charity Shops

Total charity shop income of £2,102,967 (2022: £1,630,124) were generated across 11 shops which produced a surplus of £265,421 (2022: £295,154) surplus after overheads. The sale of new bought in goods is recorded in Guild Care's subsidiary, Guild Care (Trading) Limited, which recorded turnover of £8,507 (2022: £13,374) for the year and generated a deficit of £2,474 (2022: £74 surplus). The retail strategy has been to significantly grow the sale of donated goods generating a healthy surplus for the charity whilst reducing the sale of lower margin new bought in goods by Guild Care (Trading) Limited. This reduction in income for Guild Care (Trading) Limited has produced a deficit of £2,474. The continued sale of new bought in goods through Guild Care (Trading) Limited is under review. It should be noted that the purpose of our charity shops is to provide more than a financial return as they are an essential shop window promoting Guild Care within the local community.

Charitable Activities

Residential Services

Residential services income was £12,677,280 (2022: £10,640,846) giving a deficit of £148,454 (2022: £406,896 deficit). This income and surplus have been reduced by £1,632,870 (2022: £1,853,593) to fund residents at below full market rate fees including the provision of state funded beds within our homes. Continued investment in our homes is essential to ensure we generate a surplus allowing us to maintain financial stability and continue achieving our charitable objectives.

Home Care

Home Care income was £909,246 (2022: £1,076,093) giving a deficit of £286,289 (2022: £158,863).

Community Services

Income from Community Services for the year was of £1,917,547 (2022: £1,804,042) giving a deficit of £310,464 (2022: £82,336 surplus) after support costs.

Value for Money

The Board of Guild Care has put in place arrangements to ensure that the financial and social performance of our assets and resources are closely monitored and benchmarked and inform our decision making and strategy. Our strategic approach to value for money runs throughout the organisation. The Board approve business plans, budgets and KPIs. This supports the

delivery of value for money and enables the Senior Leadership Team to monitor and report on progress throughout the year. This approach will ensure that as the organisation grows, we will continue to provide value for money throughout our operations.

The table below shows the Housing Metrics in accordance with Housing SORP. Our social housing activity relates to Dolphin Court (See Note 23 of the accounts) which has had no capital movements in the year.

Housing Metrics	2023	2022
Metric 1 - Re-investment %	0%	0%
Metric 2 - New supply delivered %	0%	0%
Metric 3 - Gearing % *	0%	0%
Metric 4 - EBITDA MRI Interest Cover %	251%	410%
Metric 5 - Social housing cost per unit	11,491	6,757
Metric 6 - Operating Margin %	1%	3%
Metric 6b - Operating Margin % - Dolphin	(32%)	22%
Metric 7 - VfM Cost Chain	1%	3%

*Although Guild Care has loan financing, these loans are not used to fund social housing activity, nor are any of the loans secured on our social housing property, the loan value used within this calculation is therefore nil.

Bank Funding

Clydesdale Bank provides Guild Care with long-term loans totalling £8,125,031 (2022: £8,756,545) at year end.

Guild Care started the financial year with three existing long-term loan facilities each of which requires re-financing every five years and a two-year loan facility taken out on 26th March 2021 as part of the Coronavirus Business Interruption Loan (CBIL) scheme.

On the 15th March 2023, Guild Care re-financed an existing fixed rate loan by settling the balance of £2,982,945 due to mature in April 2023 and taking out a new fixed rate loan of £2,995,000.

On the 15th March 2023, Guild Care re-financed the CBIL variable rate loan by settling the £1,000,000 and taking out a new variable rate loan of £750,000.

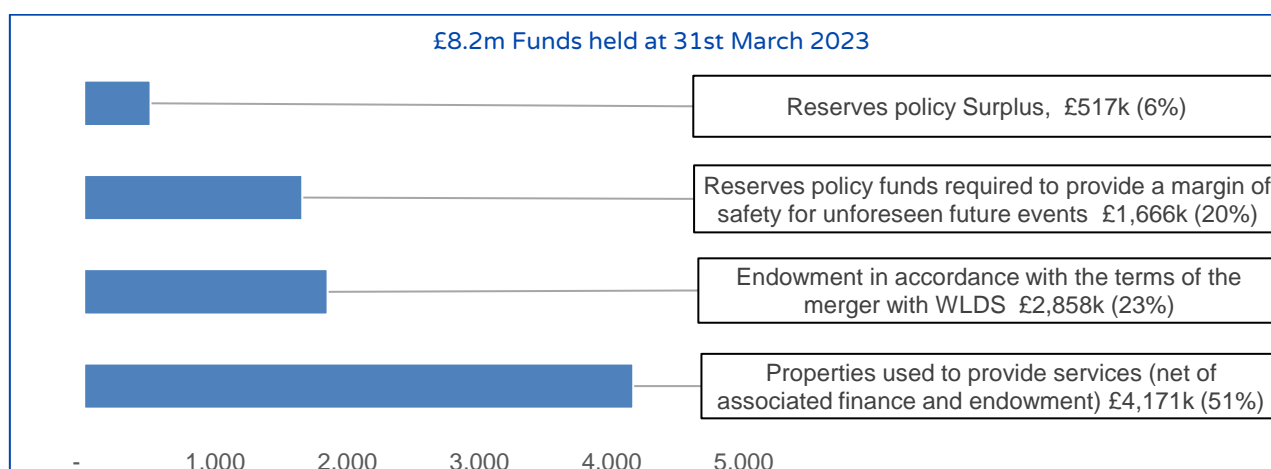
During the year £393,569 (2022: £391,826) of scheduled loan repayments were made in-line with agreed repayment terms.

Reserves Policy

Guild Care's reserves policy is to hold free reserves in the range between the budgeted running cost of the charity's highest surplus generating service for a period of three months and one month of the total budgeted running costs for the entire charity.

Free reserves are unrestricted funds arising from short-term debtors and creditors, highly liquid investments and readily available cash balances.

As at 31st March 2023, Guild Care has £8,212,367 (2022: £8,559,064) funds of which:



The Trustees ordinarily target that the charity's reserves policy surplus should not exceed 20% of the safe level of funds.

At 31st March 2023 the charity's reserves policy surplus was £517,068 (2022: £1,219,492) representing 31% (2022: 83%) of the safe level of funds. The Trustees have increased the level of free reserves to support the recovery in trading performance back to pre-Covid-19 pandemic levels by:

- Reduction in the capital investment in the property estate. The purchase of tangible fixed assets was £390,350 (2022: £228,042).
- Retaining £750,000 of the of the £1,000,000 under the CBIL scheme as a variable rate loan facility

Principal risks include those around the group's access to finance, occupancy and staffing levels within the homes. The group has in place debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the group's day to day operations. The group also has a long-term business plan and a detailed rolling financial forecast which shows that Guild Care is able to service these debt facilities whilst continuing to comply with lenders' covenants for the foreseeable future (being 12 months from the date of signing the financial statements).

This year Trustees have considered the impact on the contribution generated from the homes whilst performance returns to normal operating levels following the Covid-19 pandemic during the foreseeable future of the next twelve months from the date of signing the financial statements.

The assets of the group have a market value significantly greater than the book value and with a loan to value ratio being only 21% on 31st March 2023 (2022: 23%). Based upon the strong financial performance of Guild Care before the Covid-19 crisis and the availability of security, the Trustees believe that the group would be able to take mitigating actions, borrow further funds and/or dispose of assets in the unlikely event that these were needed in the short-term.

Having considered the impacts of the Covid-19 pandemic experienced to date on Guild Care's reserves, availability of finance, risks facing the sector and plans including budgets and forecasts, the Trustees are satisfied with the level of reserves and have concluded that Guild Care is a going concern over the foreseeable future. On the basis that Trustees do not believe

there is a material uncertainty over the going concern of Guild Care, the financial statements have been prepared on the going concern basis.

Statement of disclosure of information to Auditors

So far as each of the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Trustees' responsibilities

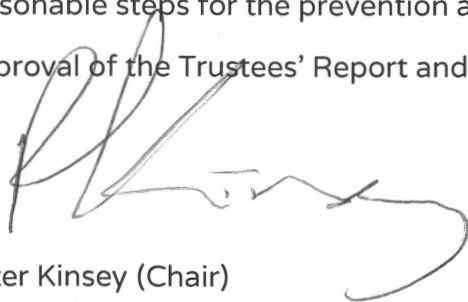
The Trustees, who are also the Directors of Guild Care for the purpose of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- ✓ select suitable accounting policies and then apply them consistently;
- ✓ observe the methods and principles of the housing SORP;
- ✓ make judgments and estimates that are reasonable and prudent;
- ✓ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ✓ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval of the Trustees' Report and the Strategic Report by the Board on 14 August 2023.



Peter Kinsey (Chair)
Trustee

Independent Auditor's Report to the Members of Guild Care

Opinion

We have audited the financial statements of Guild Care (the 'charitable company') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Reserves, the Consolidated and Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Charitable Company affairs as at 31 March 2023 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the Trustees annual report incorporating the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained

in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 14, the Trustees (who are also the directors of Guild Care 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, the Housing and Regeneration Act 2008 and other laws and regulation applicable to a registered social housing provider in England. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing and the Care Quality Commission (CQC), health and safety legislation, taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on income and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to Guild Care's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to Guild Care'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 Guild Care and Guild Care's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

Date: 24th August 2023

Consolidated Statement of Financial Activities

	Notes	Unrestricted	Restricted	Endowment	Total 2023	Total 2022
		£	£		£	£
Income from:						
Raising funds						
Donations and legacies	3	330,578	206,080	-	536,658	639,790
Charity shops income	4	2,102,967	-	-	2,102,967	1,630,124
Total Raising funds		2,433,545	206,080	-	2,639,625	2,269,914
Charitable activities	5	15,193,957	310,116	-	15,504,073	13,520,981
Investment income		37,438	-	-	37,438	2,788
Other income		20,310	-	-	20,310	25,856
Surplus/(loss) on sale of tangible fixed assets		-	-	-	-	-
Total income		17,685,250	516,196	-	18,201,446	15,819,539
Expenditure on:						
Raising funds						
Donations and legacies		293,285	-	-	293,285	288,119
Charity shops income		1,837,546	-	-	1,837,546	1,334,970
Total Raising funds		2,130,831	-	-	2,130,831	1,623,089
Charitable activities		15,783,084	466,196	-	16,249,280	14,004,404
Restructuring costs		167,958	-	-	167,958	66,139
Total expenditure	6	18,081,873	466,196	-	18,548,069	15,693,632
Net income/(expenditure)		(396,623)	50,000		(346,623)	125,907
Other gains / (losses)						
Actuarial gains / (losses) on pension scheme		(74)	-	-	(74)	91,186
Transfers between funds		359,662	(50,000)	(309,662)	-	-
Net movement in funds		(37,035)	-	(309,662)	(346,697)	217,093
Fund balances brought forward		6,391,428	-	2,167,636	8,559,064	8,341,971
Fund balances carried forward		6,354,393	-	1,857,974	8,212,367	8,559,064

The Statement of Financial Activities has been prepared using the format from the Charities SORP. The Statement of Financial Activities has been presented in addition to the Statement of Comprehensive Income required by the Housing SORP.

Total comprehensive expenditure for the company only was £346,697 (2022: total comprehensive income £217,019).

Consolidated Statement of Comprehensive Income

	2023 £	2022 £
Turnover	18,164,008	15,816,751
Operating costs	(17,999,565)	(15,318,072)
Operating surplus / (deficit)	164,443	498,679
Restructuring costs	(167,958)	(66,139)
Gain on disposal of fixed assets	-	-
Interest receivable and similar income	37,438	2,788
Interest and financing costs	(380,546)	(309,421)
Surplus / (deficit) for year	(346,623)	125,907
Actuarial gain / (loss) in respect of pension scheme	(74)	91,186
Total comprehensive income / (expenditure)	(346,697)	217,093

Consolidated Statement of Changes in Reserves

	Unrestricted Reserve £'000	Restricted Reserve £'000	Endowment £'000	Total £'000
Balance as at 1 April 2021	5,864,672	-	2,477,299	8,341,971
Total comprehensive income for the year	217,093	-	-	217,093
Transfer of restricted expenditure from unrestricted reserves	309,663	-	(309,663)	-
Balance at 31st March 2022	6,391,428	-	2,167,636	8,559,064
Total comprehensive income for the year	(346,697)	-	-	(346,697)
Transfer of restricted expenditure from unrestricted reserve	309,662	-	(309,662)	-
Balance at 31st March 2023	6,354,393	-	1,857,974	8,212,367

Balance Sheet

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Fixed assets					
Tangible assets	12	14,582,998	14,582,998	14,945,718	14,945,718
Investments	13		100	-	100
		<u>14,582,998</u>	<u>14,583,098</u>	<u>14,945,718</u>	<u>14,945,818</u>
Current assets					
Stocks		5,088	-	2,151	-
Debtors	14	1,398,014	1,432,558	867,462	896,596
Cash and cash equivalents	15	2,676,564	2,659,252	3,207,060	3,189,748
		<u>4,079,666</u>	<u>4,091,810</u>	<u>4,076,673</u>	<u>4,086,344</u>
Creditors: amounts falling due within one year	16	(2,317,370)	(2,317,370)	(2,793,393)	(2,793,393)
Net current assets/(liabilities)		1,762,296	1,774,440	1,283,280	1,292,951
Total assets less current liabilities		16,345,294	16,357,538	16,228,997	16,238,769
Creditors: amounts falling due after more than one year	17	(7,911,433)	(7,911,433)	(7,630,350)	(7,630,350)
Pension liability	18	(25,236)	(25,236)	(39,584)	(39,584)
Provision for liabilities	19	(196,258)	(196,258)	-	-
Net assets		8,212,367	8,224,611	8,559,064	8,568,835
Reserves					
Endowed reserve	20	1,857,974	1,857,974	2,167,636	2,167,636
Unrestricted reserve	20	6,354,393	6,366,637	6,391,428	6,401,199
		<u>8,212,367</u>	<u>8,224,611</u>	<u>8,559,064</u>	<u>8,568,835</u>

The accounts were approved and authorised for issue by the Board on 14 August 2023.


Peter Kinsey (Chair)
Trustee

Statement of Cash Flows

	2023 £	2022 £
Cash flows from operating activities:		
Net income / (expenditure) for the year	(346,697)	217,093
Adjustments for:		
Interest received	(37,438)	(2,788)
Depreciation	753,070	768,046
(Gain) on disposal of fixed assets	-	-
Decrease / (increase) in stock	(2,937)	378
Decrease / (increase) in debtors	(530,552)	105,271
(Decrease) in creditors	436,574	(104,329)
(Decrease) in pension provision	(14,348)	(135,346)
Increase in other provision	196,258	-
Net cash provided by / (used in) operating activities	453,930	848,325
Cash flows from investing activities:		
Interest received	37,438	2,788
Purchase of tangible fixed assets	(390,350)	(228,042)
Proceeds from sales of tangible fixed assets	-	-
Net cash used in investing activities	(352,912)	(225,254)
Cash flows from financing activities:		
Cash inflows from new borrowings	3,745,000	-
Repayment of borrowings	(4,376,514)	(391,826)
Net cash used in financing activities	(631,514)	(391,826)
Change in cash and cash equivalents in the reporting period	(530,496)	231,245
Cash and cash equivalents at the beginning of the reporting period	3,207,060	2,975,815
Cash and cash equivalents at the end of the reporting period	2,676,564	3,207,060

Notes to the Accounts

1 Statutory information

Guild Care is a charitable company, limited by guarantee, registered in England and Wales and is a registered provider. The charitable company's registered number and registered office address can be found in the Trustees' Report (incorporating the Strategic Report).

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, The Accounting Direction for Private Registered Providers of Social Housing from April 2022, the Statement of Recommended Practice for Registered Social Landlords (Housing SORP 2018 Update), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Guild Care meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Guild Care meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and intra-group transactions.

These financial statements consolidate the results of the charity and its wholly owned subsidiary; Guild Care (Trading) Ltd, on a line-by-line basis. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation. A separate Statement of Comprehensive Income or Cash Flows for the company itself is not presented because the charity has taken advantage of the exemptions afforded by the Companies Act 2006 and the Housing SORP.

2.2 Going concern

The group's business activities, its current financial position and factors likely to affect its future development are set out within the Trustees Report. Principal risks include the impact on the contribution generated from the homes whilst performance returns to normal operating levels following the Covid-19 pandemic, group's access to finance, occupancy and staffing levels within homes. The group has in place debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the group's day to day operations. The group also has a long-term business plan and a detailed rolling financial forecast which shows that Guild Care is able to service these debt facilities whilst continuing to comply with lenders' covenants for the foreseeable future (being 12 months from the date of signing the financial statements).

On this basis, the Board has concluded that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least

twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

2.3 Income

Income from residential, home care and community services are accounted for on an accruals basis. Income received for the provision of services is recognised in the year in which the service is provided, and so Guild Care earns entitlement. Government grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received.

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. Capital grants are released to the Statement of Comprehensive Income over the useful economic life of the asset they were used to purchase (excluding land).

For legacies, entitlement is recognised from the earlier of the date of receipt or when sufficient notification is received by the charity to enable it to quantify its entitlement with reasonable probability. Income is not recognised for legacies which remain subject to a life interest. Donations are recognised on receipt.

Charity shop income represents net invoiced sales of goods and is recognised in the year in which the sale occurred. Rental income is recognised in the year in which accommodation is provided.

2.4 Financial instruments

Guild Care has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially reported at transaction value and subsequently measured at their settlement value.

2.5 Expenditure

Expenditure is included in the Statement of Comprehensive Income on an accruals basis inclusive of irrecoverable VAT. All costs are allocated between expenditure categories and departments on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, whilst all others are apportioned on an appropriate basis.

Support costs include apportioned staff and care costs incurred to support income generation and governance, together with the cost of general management including supervision, finance, training, human resources and IT. Support costs are allocated to charitable activities on a percentage basis. The percentages applied are based on management's informed view of time spent on each activity.

Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Guild Care owns three freehold nursing homes, a freehold social housing property, two day-service centres, a supported living house and five self-contained flats. Freehold land is not depreciated.

Building Structure	1-2% straight line per annum
Building Roof	2% straight line per annum
Building Internals	3% straight line per annum
Building Services	3% straight line per annum
Building External Areas	3% straight line per annum
Leasehold property	Over the remaining term of lease
Fixtures, fittings & equipment	20% straight line per annum
Motor vehicles	25% on a reducing balance basis/20% straight line per annum

Assets costing less than £1,000 are written off to the Statement of Comprehensive Income. Assets under construction are not depreciated until the asset is brought into use. Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year. The carrying value of assets are assessed annually for any indicators of impairment.

2.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

2.8 Investments

Listed fixed asset investments are stated at market value, unlisted investments are stated at cost. Realised and unrealised gains and losses on investments are dealt with in the Statement of Comprehensive Income.

2.9 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short and medium-term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.11 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. Short term trade creditors are measured at the transaction price. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Pensions

The group participates in two pension schemes, the People's Pension Scheme and the Pension's Trust Growth Plan. Guild Care automatically enrolls employees into the People's Pension Scheme which is regulated by the Pensions Regulator. The Scheme is a defined contribution scheme and contributions are recognised in expenditure as they fall due. Guild Care is a member of the Pensions Trust's Growth Plan. The Growth Plan is a money purchase pension scheme which also has some historical guarantees. This is a multi-employer pension scheme for which it is not possible to identify separately the assets and liabilities of participating employers and, as such, Guild Care's regular payments in respect of this plan are charged in the Statement of Comprehensive Income on a defined contribution basis. A liability is recognised for the present value of agreed additional contributions payable to fund a deficit in this plan related to past service.

2.13 Funds

Endowment funds represent expendable endowment arising from the donation of assets and liabilities from WLDS to Guild Care. The expendable endowment can be used at the discretion of Guild Care's Trustees subject to the terms and conditions surrounding the donation. Restricted funds represent those raised or received for specified purposes, as detailed further in the notes to the accounts. Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts. Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

2.14 Related Parties Disclosure

The Parent has taken advantage in FRS102 from reporting related party transactions with its fellow Group undertakings.

2.15 Significant accounting estimates and judgements

The most significant estimates and judgements relate to the useful economic life of Guild Care's three nursing homes and a social housing property. The carrying value of assets are regularly reviewed to assess any material impairments.

There is also a degree of estimation used in the rate used to discount Guild Care's pension liability under the Pensions Trust Growth Plan. The accounting policies for the pension liability and useful life of tangible fixed assets are set out above.

There is also a degree of judgement used when considering potential future scenarios for Guild Care as part of the going concern review. Further information on management assessment of going concern can be found in the Financial Review of the Trustees report above.

3 Donations & legacies

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Donations	108,178	206,080	314,258	174,623
Legacies receivable	222,400	-	222,400	465,167
	330,578	206,080	536,658	639,790

4 Charity shop trading

	2023 £	2022 £
Charity shops income	2,102,967	1,630,124
Charity shop expenditure	(1,837,546)	(1,334,970)
Charity shop surplus	265,421	295,154

Included in the above is £8,507 (2022: £13,374) income and £10,836 (2022: £13,206) expenditure in relation to the subsidiary Guild Care (Trading) Limited.

5 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Residential home	12,679,045	(1,765)	12,677,280	10,640,846
Home care	909,246		909,246	1,076,093
Community services	1,605,666	311,881	1,917,547	1,804,042
	15,193,957	310,116	15,504,073	13,520,981

Residential home income above is derived from Guild Care's three nursing homes. Included in notes 4 and 5 above is (£1,765) (2022: £517,539) of grants received in response to the Covid-19 pandemic which includes the Retail and Hospitality Grant Scheme, Adult Social Care Infection Control and Testing Fund and the Coronavirus Job Retention Scheme. Included within Community services is income from Guild Care's social housing property Dolphin Court.

	2023			2022		
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£	£	£	£	£	£
Social housing lettings	296,635	(389,948)	(93,313)	306,313	(238,858)	67,455

An analysis of income and expenditure is shown in Note 23. All income other than from Dolphin Court (see Note 23) is considered to arise from activities other than social housing.

6 Total expenditure

	Staff costs	Other Costs	Interest Charges	Depreciation	Total 2023	Total 2022
	£	£	£	£	£	£
Raising funds						
Donations and legacies	188,702	94,579	1,085	8,919	293,285	288,119
Charity shops	1,086,728	693,731	1,356	55,731	1,837,546	1,334,970
Total cost of raising funds	1,275,430	788,310	2,441	64,650	2,130,831	1,623,089
Charitable activities						
Residential services						
Activities undertaken directly	8,124,403	2,296,095	353,431	477,859	11,251,788	9,745,210
Support costs	826,653	676,990	18,166	52,137	1,573,946	1,302,532
Total	8,951,056	2,973,085	371,597	529,996	12,825,734	11,047,742
Home care						
Activities undertaken directly	858,533	96,822	-	-	955,355	1,036,808
Support costs	118,604	101,582	3,525	16,469	240,180	198,148
Total	977,137	198,404	3,525	16,469	1,195,535	1,234,956
Community services						
Activities undertaken directly	1,219,304	516,967	-	79,078	1,815,349	1,394,406
Support costs	155,210	191,593	2,983	62,876	412,662	327,300
Total	1,374,514	708,560	2,983	141,954	2,228,011	1,721,706
Total charitable activities	11,302,707	3,880,049	378,105	688,419	16,249,280	14,004,404
Restructuring cost		167,958			167,958	66,139
Total Expenditure	12,578,137	4,836,317	380,546	753,069	18,548,069	15,693,632

Support costs are allocated in proportion to direct costs.

7 Analysis of governance and support costs

	Total 2023 £	Total 2022 £
Management	248,656	250,931
Administration	290,923	220,363
Information Technology	315,135	279,227
Human Resources	549,162	406,608
Public Relations	302,887	238,232
Finance	260,259	219,855
Volunteers	51,388	33,969
Governance costs	208,380	178,795
	2,226,790	1,827,980

8 Total comprehensive income / (expenditure) is stated after charging

	2023 £	2022 £
Operating lease payments	315,088	309,262
Depreciation of care homes and social housing property	501,456	547,184
Depreciation of other tangible fixed assets	251,614	220,862
Interest charges	380,546	309,421
Fees payable to auditors (excluding VAT)		
Audit of the financial statements	25,000	22,050

9 Trustees

During the year Trustees were reimbursed travel expenses £Nil (2022: £Nil)

10 Employees

	Total 2023 £	Total 2022 £
Employment costs		
Wages and salaries	9,973,395	8,935,723
Agency costs	1,585,244	1,001,324
Social security costs	824,282	703,143
Other pension costs	195,218	178,563
Restructuring costs	167,958	66,139
	12,746,097	10,884,892

The number of employees whose annual emoluments were £60,000 or more were:

	2023 Number	2022 Number
£60,001 - £70,000	5	2
£70,001 - £80,000		2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	3
£100,001 - £110,000	2	-

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer.

The total employee remuneration of the key management personnel of the Charity was £230,081 (2022: £220,170).

The highest paid executive was paid £115,710. The Chief Executive Officer does not have enhanced or special pension terms.

During the year Guild Care charged redundancy costs of £40,041 (2022: £50,062) and payments in lieu of notice of £40,906 (2022: £16,077) to 11 (2022:12) people totalling to £64,622 (2022: £66,139) restructuring costs. Redundancy and payment in lieu of notice of £16,326 (2022: £nil) were unpaid at 31st March 2023. A restructuring provision of £87,011 (2022: £nil) was charged (See Note 19).

The average number of employees during the year was 512 (2022: 495) which equates to 381 FTE (2022: 327 FTE).

11 Taxation

The charitable company is registered as a Charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

12 Tangible fixed assets (Group & Charity)

	Freehold land & buildings £	Long leasehold property £	Short leasehold property £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2022	16,858,887	1,260,835	243,680	4,235,195	462,356	23,060,953
Additions	123,239	-	-	211,106	56,005	390,350
Disposals						
At 31st March 2023	16,982,126	1,260,835	243,680	4,446,301	518,361	23,451,303
Depreciation						
At 1 April 2022	3,663,206	335,924	133,894	3,604,864	377,347	8,115,235
On disposals	-	-	-	-	-	-
Charge for the year	340,698	53,473	48,736	281,755	28,408	753,070
At 31st March 2023	4,003,904	389,397	182,630	3,886,619	405,755	8,868,305
Net book value						
At 31st March 2023	12,978,222	871,438	61,050	559,682	112,606	14,582,998
At 31 st March 2022	13,195,681	924,911	109,786	630,331	85,009	14,945,718

The freehold land & buildings above relate to Guild Care's three nursing homes and one social housing property held for letting, Dolphin Court. The net book value of property held as security for bank loans is £11,455,906 (2022: £11,756,794)

13 Fixed asset investments

At 31st March 2022, Guild Care had the following subsidiary:

Company	Country of Registration or incorporation	Class	Shares Held %	£
Guild Care (Trading) Limited	England & Wales	Ordinary	100	100

The turnover of the company for the period was £8,507 (2022: £13,374) was attributable to the sale of bought in goods. It had expenditure of £10,836 (2022: £13,206). It contributed £2,473 deficit (2022: £74 surplus) to the group and had net liabilities of £12,244 (2022: £9,671). Any profits of Guild Care (Trading) Limited are donated to Guild Care under gift aid. The registered office of Guild Care (Trading) Limited is the same as Guild Care.

14 Debtors

	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors - fees due	974,092	433,284	974,092	433,284
Amounts due from subsidiary	34,544	29,134	-	-
Other debtors	113,977	71,925	113,977	71,925
Prepayments & accrued income	309,945	362,253	309,945	362,253
	1,432,558	896,596	1,398,014	867,462

Amounts due from subsidiaries represents £34,544 (2022: £29,134) due from Guild Care (Trading) Limited.

15 Bank Balances & Cash in Hand

At 31 March 2023 the charity held personal monies which are administered on behalf of residents. This balance, which is typically between £5,000 and £15,000, has not been included in these financial statements.

16 Creditors: amounts falling due within one year

	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Bank loan (note 17)	426,294	1,404,965	426,294	1,404,965
Trade creditors	840,828	411,040	840,828	411,040
Taxation and social security	201,342	197,865	201,342	197,865
Other creditors	22,615	612	22,615	612
Accruals & deferred income	826,291	778,911	826,291	778,911
	2,317,370	2,793,393	2,317,370	2,793,393

17 Creditors: amounts falling due after more than one year

	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	7,698,737	7,351,580	7,698,737	7,351,580
Deferred capital grant	212,696	278,770	212,696	278,770
	7,911,433	7,630,350	7,911,433	7,630,350

	2023	2022
	£	£
Loan maturity analysis		
Debt due in one year or less	426,294	1,404,965
In more than one year but not more than two years	4,263,146	3,246,768
In more than two years but not more than five years	3,435,591	4,104,812
	8,125,031	8,756,545

The loans are secured by a fixed charge over the properties and by a fixed and floating charge over all the assets of Guild Care excluding the freehold property known as Dolphin Court and former WLDS properties. Interest on loans was charged at between 3.25% and 6.2%. The loans are repayable between November 2024 and March 2028.

	2023	2022
	£	£
Deferred Capital Grant		
At start of the year	344,840	410,912
Received during the year	-	-
Released during the year	(66,072)	(66,072)
	278,768	344,840
Amounts to be released in one year	66,072	66,072
Amounts to be released in more than one year	212,696	278,770
	278,768	344,842

18 Pension liability and other post-retirement benefit commitments

Defined contribution

Following legislative changes affecting workplace pensions that required all employers to meet the legal requirement for automatic enrolment, Guild Care introduced a compliant scheme from November 2013. Eligible employees not already in the existing scheme were automatically enrolled into the People's Pension. The People's Pension scheme, which is regulated by the Pensions Regulator, is managed by B&CE. B&CE is a not-for-profit organisation which has been providing financial benefits for over 70 years and currently provides pension schemes to over 7,300 corporate clients.

Employees in the People's Pension scheme pay 5% on their salary above the minimum threshold, with Guild Care also contributing 3%. Employees automatically enrolled into the scheme have the right to opt out of the scheme if they so wish, the majority of employees enrolled in the scheme have not opted to leave.

Guild Care paid contributions of 5% for all employees who are members of Guild Care's Pension's trust Growth plan. Members paid contributions at the rate of 5% during the accounting period. Any contribution above 5% was an additional voluntary contribution. In accordance with the Recovery Plan set by The Pensions Trust, employers are required to make additional contributions over the ten years commencing in April 2013.

	2023	2022
	£	£
Contributions payable by the company/group for the year	195,218	178,563

At the balance sheet date contributions of £24,228 (2022: £24,731) were outstanding.

The Pensions Trust Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. Guild Care's share of these deficit contributions from 2023 to 2025 are £14,422 per annum (payable monthly).

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit.

Present value and reconciliation of opening and closing provisions	Period Ending 31 st March 23 £	Period Ending 31 st March 22 £
Provision at start of period	39,584	174,930
Unwinding of the discount factor (interest expense)	748	1,009
Deficit contribution paid	(14,422)	(44,267)
Remeasurements - impact of any change in assumptions	(674)	(910)
Remeasurements - amendments to the contribution schedule	-	(91,178)
Provision at end of period	<u>25,236</u>	<u>39,584</u>

Income and expenditure impact	Period Ending 31 st March 23 £	Period Ending 31 st March 22 £
Interest expense	748	1,009
Remeasurements – impact of any change in assumptions	(674)	(910)
Remeasurements – amendments to the contribution schedule	-	(91,178)

Assumptions	31 st March 23	31 st March 22	31 st March 21
	% per annum	% per annum	% per annum
Rate of discount	5.52	2.35	0.66

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

During the year Guild Care contributed £14,422 (2022: £44,267) in additional contributions towards the scheme. Guild Care's estimated pension contributions for the year ended 31st March 2024 are estimated to be £14,422.

19 Provisions for liabilities

Group and Charity	Rent	Restructuring	Total
		£	£
At 1 April 2022	-	-	-
Additions	109,247	87,011	196,258
	<u>109,247</u>	<u>87,011</u>	<u>196,258</u>

The cost for rent repayable on Social Housing lettings has been provided for. The provision relates to over-billing on rents which has been notified to tenants and the Housing Regulator. This matter is expected to be resolved by 31st March 2024.

The cost for restructuring has been provided for employees trialling new roles as at 31st March 2023. The outcome of these trials will be determined by 31st March 2024.

20 Movement in funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2022	Income	Expenditure	Transfers /gains and losses	Balance at 31 st March 2023
Endowment fund					
WLDS Fund	2,167,636			(309,662)	1,857,974
Restricted funds					
Residential home	-	(1,765)	1,765		-
Outreach	-	41,726	(41,726)		-
Healthy Living	-	136,265	(136,265)		-
Dementia	-	86,129	(86,129)		-
Children's service	-	47,761	(47,761)		-
Minibus	-	50,000	-	(50,000)	-
Other	-	156,080	(156,080)		-
Total restricted	-	516,196	(466,196)	(50,000)	-
Unrestricted funds					
General funds	6,391,428	17,685,250	(18,081,873)	359,588	6,354,393
Total unrestricted	6,391,428	17,685,250	(18,081,873)	359,588	6,354,393
Total funds	8,559,064	18,201,446	(18,548,069)	(74)	8,212,367

Transfers between funds

The WLDS Fund was established following Worthing Littlehampton & District Scope (WLDS) joining the Guild Care Group. The expendable endowment can be used at the discretion of Guild Care's Trustees subject to the terms and conditions surrounding the donation. The WLDS Fund is released to unrestricted over the 10 years following the Worthing Littlehampton & District Scope (WLDS) joining the Guild Care Group.

The Minibus Fund represents monies received in the year for the purchase of an electric minibus.

	Balance at 1 April 2021	Income	Expenditure	Transfers /gains and losses	Balance at 31 st March 2022
Endowment fund					
WLDS Fund	2,477,299	-	-	(309,663)	2,167,636
Restricted funds					
Residential home	-	286,286	(286,286)	-	-
Home care	-	95,921	(95,921)	-	-
Outreach	-	54,216	(54,216)	-	-
Healthy Living	-	115,299	(115,299)	-	-
Dementia	-	105,974	(105,974)	-	-
Children's service	-	47,761	(47,761)	-	-
Learning Disabilities	-	29,691	(29,691)	-	-
Other	-	78,217	(78,217)	-	-
Total restricted	-	813,365	(813,365)	-	-
Unrestricted funds					
General funds	5,864,672	15,006,174	(14,880,267)	400,849	6,391,428
Total unrestricted	5,864,672	15,006,174	(14,880,267)	400,849	6,391,428
Total funds	8,341,971	15,819,539	(15,693,632)	91,186	8,559,064

21 Analysis of net assets between funds

Fund balances at 31st March 2023 were represented by:

	Unrestricted funds £	Restricted funds £	Endowment £	Total £
Tangible fixed assets	12,725,024	-	1,857,974	14,582,998
Net current assets	1,748,296	14,000	-	1,762,296
Long-term creditors and provisions	(8,118,927)	(14,000)	-	(8,132,927)
	6,354,393	-	1,857,974	8,212,367

Fund balances at 31st March 2022 were represented by:

	Unrestricted funds £	Restricted funds £	Endowment £	Total £
Tangible fixed assets	12,778,082	-	2,167,636	14,945,718
Net current assets	1,270,280	13,000	-	1,283,280
Long-term creditors and provisions	(7,656,934)	(13,000)	-	(7,669,934)
	<u>6,391,428</u>	<u>-</u>	<u>2,167,636</u>	<u>8,559,064</u>

22 Commitments under operating leases

Charity and group

At 31st March 2023 the charity had total minimum lease commitments under no-cancellable operating leases as follows:

	Land and buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Within one year	261,915	156,451	63,424	56,952
Between one and five years	590,269	236,303	82,432	131,915
In over five years	540,925	368,284	-	-
	<u>1,393,109</u>	<u>761,038</u>	<u>145,856</u>	<u>188,867</u>

23 Dolphin Court Flatlets – Social Housing Income and Expenditure

Guild Care operates 31 flats on a supported living basis which Guild Care consider to be social housing for the purposes of the Housing SORP.

	2023 £	2022 £
Rent receivable	172,668	172,677
Services charge income	105,955	115,624
Amortisation of grant	18,012	18,012
Net rents receivable	<u>296,635</u>	<u>306,313</u>
Expenditure on lettings		
Services and management	333,905	188,830
Maintenance and repairs	22,313	20,624
Depreciation	33,730	29,404
Total expenditure on lettings	<u>389,948</u>	<u>238,858</u>
Operating surplus on lettings	<u>(93,313)</u>	<u>67,455</u>
Void losses	2,004	2,510

Social Housing Assets

The historic cost of Dolphin Court at 31st March 2023 was £1,528,619 (2022: £1,528,619), the net book value of Dolphin Court at 31st March 2023 was £270,138 (2023: £285,258).

The total of social housing rent arrears is £1,387 (2022: £2,598). Included within deferred income is £1,359 (2022: £2,035) of rent in advance for social housing properties.

24 Related Parties

There were no related party transactions requiring disclosure that occurred in the year.

25 Balance sheet events after the reporting date

There are no balance sheet events after the reporting date to disclose that could materially affect the financial statements.