

CORNWALL CARE LIMITED

England & Wales · Charity number 1053486

Details

Other names CORNWALL COUNTY CARE LIMITED, CORNWALL CARE

Status Registered

Legal form Charitable company

Company number [03079623](#)

Registered 1996-03-05

Register [View on the Charity Commission register](#)

Contact

Address Sanctuary Housing Association
Chamber Court
Castle Street
Worcester
WR1 3ZQ

Phone 01872 597777

Email welcome@cornwallcare.org

Website www.cornwallcare.com

Activities

Objects: 1) TO PROMOTE THE RELIEF OF AND PROVIDE RELIEF, SUPPORT AND ASSISTANCE TO INDIVIDUALS WHO BY REASON OF OLD AGE OR PHYSICAL OR MENTAL ILLNESS OR PHYSICAL OR MENTAL HANDICAP, REQUIRE SPECIAL CARE AND ATTENTION. 2) TO PROMOTE AND PROVIDE RELIEF TO CHILDREN AND YOUNG PEOPLE WHO REQUIRE SPECIAL CARE AND ATTENTION. IN THIS MEMORANDUM OF ASSOCIATION "BENEFICIARIES" MEANS THE PEOPLE REFERRED TO IN (A) AND (B) ABOVE. 3) TO PROMOTE IN PARTICULAR THE RELIEF OF AND SUPPORT AND ASSISTANCE TO BENEFICIARIES WHO ARE RESIDENT IN OR ASSOCIATED WITH THE COUNTY OF CORNWALL THE COUNTY OF DEVON OR THE ISLES OF SCILLY

Activities: The charity's activities are to promote relief, support and assistance to: (a) individuals who by reason of old age, physical or mental illness, require special care and attention; (b) children and young people who require special care and attention; (c) promote support and assistance to beneficiaries resident or associated with Cornwall, Devon or Isles of Scilly.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** CORNWALL, DEVON AND THE ISLES OF SCILLY
- Cornwall
- Devon
- Isles Of Scilly

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£34,618,000	£33,837,000	£10,203,000	843
2024-03-31	£32,379,000	£35,414,000	£9,423,000	425
2023-03-31	£46,547,000	£47,538,000	£15,411,000	967
2021-12-31	£40,383,000	£40,184,000	£20,030,000	839
2020-12-31	£39,375,000	£38,020,000	£16,480,000	788

Trustees

Name	Role	Appointed
Edward Lunt		2022-10-21
James Robert Whitmore		2022-10-21
Leanne Blackwood		2022-10-21
Nathan Lee Warren		2022-10-21
Peter John Williams		2022-10-21
Sarah Clarke-Kuehn		2022-10-21

CORNWALL CARE LIMITED

England & Wales - Charity number 1053486

Accounts

Cornwall Care Limited

**Annual Report and Financial Statements
Year Ended 31 March 2025**

Company registration number: 03079623

Charity registration number: 1053486

Cornwall Care Limited

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Cornwall Care Limited

Reference and Administrative Details

Directors

Ms L Blackwood
Ms S Clarke-Kuehn
Mr E Lunt
Mr N Warren
Mr J Whitmore
Mr P Williams

Secretary Ms N Seymour

**Charitable company
Registration Number** 1053486

Company Registration Number 03079623

Registered Office

The charitable company is incorporated in England and Wales.
Sanctuary House Chamber Court
Castle Street
Worcester
WR1 3ZQ

Auditor

PKF Francis Clark
Statutory Auditor
Lowin House
Tregolls Road
Truro
TR1 2NA

Solicitors:

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Bankers

Barclays Bank PLC
PO Box 229
Birmingham
B1 3PF

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

The Directors present their annual report, incorporating the Trustees' report and Strategic report, for the year to 31 March 2025 under the Companies Act 2006 together with the audited financial statements for the year and confirm that the latter complies with the requirements of the Act, the Articles of Association and the Charities SORP FRS 102.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Directors:

- Ms L Blackwood
- Ms S Clarke-Kuehn
- Mr E Lunt
- Mr N Warren
- Mr J Whitmore
- Mr P Williams

Secretary: Ms N Seymour

Principal activities

Cornwall Care Limited (the Company) was incorporated on 8 June 2001 under the Companies Act number 04231521. The Company's ultimate parent undertaking is Sanctuary Housing Association and the Company forms part of the Sanctuary Group of entities (the Group). The principal activity of the Company continues to be the provision of care for adults and older people throughout Cornwall.

Our clients receive quality care services that are provided in the following ways:

- **Care Homes:** Our care homes provide care for older frail people and those with dementia, either on a permanent basis or for rehabilitation and respite visits. Nursing services were in operation in nine of these homes for the full year.
- **Extra Care / Supported Living:** A number of our properties contain independent living units which provide accommodation enabling adults with mental health issues to live semi-independent lives within the community.

Objectives and activities

Objects and aims

The company's objects, as set out in the Articles of Association, are:

- (a) to promote the relief of and provide relief, support and assistance to individuals who by reason of old age, or physical or mental handicap, require special care and attention;
- (b) to promote and provide relief to children and young people who require special care and attention; and
- (c) to promote, in particular the relief of, and provide support and assistance to, beneficiaries who are resident in or associated with the County of Cornwall, the County of Devon and the Isles of Scilly. 'Beneficiaries' means the people referred to in the points above,

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Public benefit

The company's charitable objectives are set out above. Throughout the year the Directors have sought to benefit the public by:

- providing care to those funded by means tested assistance from the Local Authority and Kernow Clinical Commissioning Group; and
- to continue to work closely with the Local Authorities and the Kernow Clinical Commissioning Group on implementing change in the way that care for older people, those with dementia and those with learning difficulties is provided.

As such the Directors confirm that they comply with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers and duties and consider it in all aspects of the Cornwall Care's activities as reflected throughout the Directors' Report.

Results

The results of the company for the year ended 31 March 2025 are set out on page 14.

Key performance indicators

The charitable company manages the following bed spaces:

	2025		2024	
	Homes	Bed spaces	Homes	Bed spaces
Operation of care homes	13	537	13	537

Key performance indicators are shown in the table below and compare the financial periods ended 31 March 2025 and 31 March 2024.

	2025	2024
Weekly turnover per bed space - based on average occupancy	£1,344	£1,348
Average occupancy per week	480	462
Occupancy as a % of total bed spaces (average for year)	89.3%	82.9%
Occupancy as a % of total bed spaces (year end)	91.1%	88.4%

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Review of business

Since joining the Sanctuary Group, Cornwall Care has forged a new strategic partnership, and continues to work closely, with Cornwall Council. This strategic partnership enables the two organisations to work closely together to ensure people in the county get high-quality care and support when they most need it.

2024/25 has seen steady occupancy growth. Whilst there has been an increase in occupancy and income streams, the availability of staff remained a challenge.

During this time, the Company has continued to see operational teams rise to the challenges presented and showcase a commitment to residents, as well as their tenacity and ability to innovate to deliver a quality service.

Cornwall Care has gone through a process of adopting Sanctuary Care's working practices and governance to ensure homes meet Care Quality Commission (CQC) standards. Internal quality assurance monitoring accurately reflects the CQC inspection standard and the Company is committed to working with the CQC to maintain the delivery of high quality care.

Reserves policy

The Directors have examined the Company's requirements for reserves in light of the main risks to the organisation. The Company considers its capital balances to be the unrestricted and restricted reserves (note 21). Neither of these balances have a significant degree of active management, other than in the case of current year Statement of Financial Activity movement. There are restrictions on the Company in the use of £240k in relation to the Huddy Legacy which is held for the benefit of residents at Trevarna Care Home.

Future developments

Over the next 12 months the Cornwall Care redevelopment programme will continue to undertake significant investment and this will remain a key focus of the Group development team.

It is the intention that both the trade and assets of Cornwall Care Limited be transferred into fellow subsidiaries of the Sanctuary Group.

Structure, Governance and Management

The Company is a part of a larger group structure, the Sanctuary Group, in which Sanctuary Housing Association is the overall parent entity. Sanctuary is governed by the Board of the Association (the Group Board) which comprises eight non-executive members, the Group Chief Executive and two co-opted members.

All subsidiaries within the Group, including Cornwall Care Limited, have their own boards, which are responsible to the Group Board for overseeing the operations of each subsidiary.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Inclusion for All

We welcome everyone within the Sanctuary Group, no matter their background. We are passionate about equality and ensuring people feel included, valued and engaged. Our Inclusion for All strategy outlines the steps we are taking to embed a working environment where people can bring their whole selves to work. In the last 12 months we have refreshed our behaviour framework to help make our values real and meaningful every day. We have also seen increased membership and colleague engagement with our four staff networks - PRISM (LGBTQ+), Race Equality, Parent, and Disability - which support with embedding an inclusive culture.

Principal risks and uncertainties

Principal risks

The Company is a subsidiary of Sanctuary Housing Association and part of the Sanctuary Group (the Group). The Company, as part of the Group, operates a comprehensive risk mapping process as part of its annual business planning cycle. This process identifies a number of external factors which affect both the Group and the Company.

The Executive Committee and Group Audit and Risk Committee review and scrutinise the risk maps for all Group entities. The Sanctuary Group Board approves the Sanctuary Group risk map.

The principal risks for the charitable company included in the risk map considered by the Board during 2024/2025 are:

- Staff recruitment - The ability to recruit and retain qualified carers and nurses is a continuing challenge for all care home operators. It impacts directly on the costs of operating care homes and the quality of care provided. The risk includes wage costs inflation in an environment where costs are increasing.
- Longer term occupancy issues - The Company faces competition from other care providers in the regions in which it operates. If a home were to experience an increase in the volume of vacant rooms or the duration of the vacancy, income streams and profitability of the care home will be impacted. The Company manages occupancy levels closely and ensures that the relationships it has with local authorities and other commissioning bodies remain strong and that there is also an established proportion of self funding clients in each home to ensure that rooms are filled promptly as they become vacant.
- Changes to government policy, legislation and regulation - The Company's operations are closely regulated by the Care Quality Commission (CQC). The consequences of non-compliance with regulations could be significant for the Company. The Company has a robust audit system in place to ensure adherence to policies and compliance with regulatory requirements. Changes to CQC compliance are monitored to ensure policies and processes are updated. The Company maintains a risk map that is reviewed by the Board and also by the Group Audit and Risk Committee. Risks also include those around health and safety compliance, legislative requirements and contractual risks

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Financial risk

The Company has external debt finance in the form of both an intercompany loan with Sanctuary Affordable Housing Limited and a loan with Cornwall Council relating to the closure of the LGPS deferred benefit pension scheme. Further information is detailed in note 19 on page 32.

The Directors therefore view the overall level of financial risk of the Company as low.

Employee involvement

Regular meetings are held between senior managers and each business unit's management team to review progress and developments in their business. Within each business unit the manager holds regular staff meetings to ensure that the group's goals and objectives are fully understood. Views and opinions of members of staff from around the whole Cornwall Care subgroup are collated annually in an anonymous web-based staff survey.

Business relationships

The Company's relationship with key business partners is integral to the success of the Company. Refer to the business relationships section in the s172 statement on page 7.

Health and safety

It is the clear intention of the Group to ensure, as far as reasonably practicable, the health, safety and welfare at work of all its employees. The Group undertakes to comply, as a minimum, with the provisions of the Health and Safety at Work Act 1974 and other relevant legislation to meet the objective of achieving the highest possible standards.

Investment in technology

Sanctuary Care has continued to roll-out kradle, which is an in-house electronic care planning app, as well as both electronic medication administration records (eMAR) and staff communications with the Kronos Dimensions app. Dedicated training is being provided to staff through the implementation of the new technology to ensure a smooth transformation from the paper-based approach. In time this will be extended to Cornwall Care group of entities as part of the integration plan.

Funds held as custodian trustee on behalf of others

Details are set out in note 25 of the financial statements.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Section 172 - Directors' Duties

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

The Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year.

In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

Detailed below is how the Board has maintained its commitment to promoting the success of the Company.

Consequences of decisions

The Board promotes a strong culture of governance within the Company, and continually monitors performance through the use of key performance indicators, as outlined on page 3.

The long-term strategy of the Company is embedded in the strategy of the Sanctuary Group, and details of the Corporate Strategy 2023-2026 can be found on the Sanctuary Group website at <https://www.sanctuary-group.co.uk/about-us/our-corporate-strategy>

Employees

The Company is committed to equal opportunities in employment.

Our employees have the key responsibility of providing residents with a quality level of care, and are fundamental to our success. Our employee satisfaction is monitored through employee engagement surveys, and employees are involved in matters affecting their functions.

It is Group policy to involve all employees in matters affecting their functions. At a formal level this takes place through the Staff Council where management consult with elected staff representatives. At an operational level a team briefing system is in place to keep all employees updated on core Group business issues.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Business relationships

Our key customer is our residents and the monitoring of our compliance with CQC and CI ratings ensures we continue to provide a quality level of care. The Company is continually developing its use of technology to improve our quality of resident care and the strength of the supply chain.

Community & environment

The impact of the Company's operations on the community is integral to the activities of the Company and the Sanctuary Group of entities. Sanctuary Group is a strong investor in communities, investing over a million pounds in cash, time and resources each year.

High standard of conduct

The Company meets the needs of its residents through continuous internal and external monitoring, through the CQC regulators to continuously improve the standard of Care we provide.

Act fairly between members

The Company's sole member is its parent undertaking Sanctuary Housing Association. We encourage honest conversations between staff and managers at all levels, and through these conversations we work together even more effectively. Our intention is to behave responsibly towards the staff we employ and treat them fairly and equally, so they will benefit from the successful delivery of the Group's strategic plan.

Going concern

The Cornwall Care Group, which includes the Charitable Company, was acquired by Sanctuary Housing Association in October 2022.

Following the acquisition, the long-term future of the Charitable Company within Sanctuary Group has been considered. Consequently, the trade and assets of the Charitable Company will ultimately be transferred into a fellow subsidiary of the Group; this is expected to occur within twelve months from the date of these financial statements.

As a result, the Trustees have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. The Trustees have assessed whether any adjustments are required on this basis and have concluded that no adjustments are required as a result of being prepared on a basis other than going concern.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Statement of Directors' responsibilities

The Directors (who are also the directors of Cornwall Care Limited for the purposes of company law) are responsible for preparing the Directors' report (incorporating Trustees' report and Strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that can 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

10 March 2026

The annual report was approved by the Directors of the charitable company on and signed on its behalf by:

Signed by:

.....7430F5B829B2479.....
Ms L Blackwood
Trustee

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Opinion

We have audited the financial statements of Cornwall Care Limited (the 'charitable company') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - financial statements prepared on a basis other than going concern

The financial statements are prepared on a basis other than going concern. We draw attention to the going concern policy in note 2 explaining that the directors intend to sell the trade and assets of the Company to a fellow subsidiary of the Group. As the activities of the Company will remain continuing, the operations have been presented as continuing on the face of the financial statements. Our opinion is not modified in respect of this matter.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Opinion on other matter 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 Directors' report (incorporating Trustees' report and Strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report (incorporating Trustees' report and 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report (incorporating Trustees' report and Strategic report) .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities (set out on page 9), the Directors 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 Directors 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 Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

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

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the charitable company. We gained an understanding of the industry in which the charitable company operates as part of this assessment to identify the key laws and regulations affecting the charitable company. As part of this, we reviewed the Sanctuary group website for indication of any regulations and certification in place which are applicable to the charitable company and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were the regulations of the Care Quality Commission (CQC), as well as health and safety regulations, tax legislation, employment law and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the charitable company's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of CQC ratings and reports and enquiries of management in relation to any ongoing CQC reviews and communications.
- Made enquiries of the charitable company's data protection team as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, accuracy of revenue cut off, and obtained an understanding of the controls in place to mitigate the risk of fraud. Based upon our understanding we designed and conducted audit procedures including:

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

As part of our enquiries, we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risk we identified was fraudulent financial reporting in respect of revenue completeness and cut off.

In response to the identified risk, as part of our audit work we:


- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- Undertook specific cut-off procedures in respect of revenue around the year end.
- Reviewed controls related to income to ensure the completeness of revenue.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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. This description forms part of our auditor's report.

Use of our report

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

Signed by:

DBA5C4939639455.....

Tracy Lewis FCA (Senior Statutory Auditor)
For and on behalf of PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
TR1 2NA

11 March 2026
Date:.....

Cornwall Care Limited

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2025 £ 000
Income and Endowments from:				
Donations and legacies	3	28	-	28
Charitable activities	4	34,563	-	34,563
Other income	5	27	-	27
Total income		<u>34,618</u>	<u>-</u>	<u>34,618</u>
Expenditure on:				
Charitable activities	6	(29,695)	-	(29,695)
Other expenditure	7	<u>(4,142)</u>	<u>-</u>	<u>(4,142)</u>
Total expenditure		<u>(33,837)</u>	<u>-</u>	<u>(33,837)</u>
Net income		781	-	781
Transfers between funds		<u>(6)</u>	<u>6</u>	<u>-</u>
Net movement in funds		775	6	781
Reconciliation of funds				
Total funds brought forward		<u>9,188</u>	<u>234</u>	<u>9,422</u>
Total funds carried forward	21	<u><u>9,963</u></u>	<u><u>240</u></u>	<u><u>10,203</u></u>

The notes on pages 17 to 36 form an integral part of these financial statements.

Cornwall Care Limited

Statement of Financial Activities for the Year Ended 31 March 2025 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Period ended 31 March 2024

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000
Income and Endowments from:				
Donations and legacies	3	1	-	1
Charitable activities	4	32,048	-	32,048
Investment income		3	-	3
Other income	5	327	-	327
Total income		32,379	-	32,379
Expenditure on:				
Charitable activities	6	(25,363)	-	(25,363)
Other expenditure	7	(10,052)	-	(10,052)
Total expenditure		(35,415)	-	(35,415)
Net expenditure		(3,036)	-	(3,036)
Transfers between funds		(7)	7	-
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		-	-	-
Net movement in funds		(3,043)	7	(3,036)
Reconciliation of funds				
Total funds brought forward		12,231	227	12,458
Total funds carried forward	21	9,188	234	9,422

All of the charitable company's activities derive from continuing operations during the above two periods.


The funds breakdown for 2024 is shown in note 21.

Cornwall Care Limited

(Registration number: 03079623)
Balance Sheet as at 31 March 2025

	Note	2025 £ 000	2024 £ 000
Fixed assets			
Tangible assets	14	28,045	29,697
Current assets			
Debtors	16	7,988	6,713
Cash at bank and in hand	17	2,301	2,638
		10,289	9,351
Creditors: Amounts falling due within one year	18	<u>(15,362)</u>	<u>(14,956)</u>
Net current liabilities		<u>(5,073)</u>	<u>(5,605)</u>
Total assets less current liabilities		22,972	24,092
Creditors: Amounts falling due after more than one year	19	(12,336)	(13,795)
Provisions	20	<u>(433)</u>	<u>(874)</u>
Net assets		<u>10,203</u>	<u>9,423</u>
Funds of the charitable company:			
Restricted income funds			
Restricted funds	21	240	234
Unrestricted income funds			
Unrestricted funds		<u>9,963</u>	<u>9,189</u>
Total funds	21	<u>10,203</u>	<u>9,423</u>

The financial statements on pages 14 to 36 were approved by the Directors, and authorised for issue on 10 March 2026 and signed on their behalf by:

Signed by:

 7430F5B829B2479:.....
 Ms L Blackwood
 Trustee

The notes on pages 17 to 36 form an integral part of these financial statements.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Charitable company status

The charitable company is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Directors is liable to contribute an amount not exceeding £1 towards the assets of the charitable company in the event of liquidation.

The address of its registered office is:
Sanctuary House Chamber Court
Castle Street
Worcester
WR1 3ZQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Cornwall Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in pounds sterling which is the functional currency of the charitable company. Unless otherwise stated, amounts are denominated in thousands (£'000) rounded to the nearest £1,000.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Summary of disclosure exemptions

The financial statements contain information about Cornwalll Care Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its parent, Sanctary Housing Association.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemption from the disclosure requirements of Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures..

Going concern

The Cornwall Care Group, which includes the Charitable Company, was acquired by Sanctary Housing Association in October 2022.

Following the acquisition, the long-term future of the Charitable Company within Sanctary Group has been considered. Consequently, the trade and assets of the Charitable Company will ultimately be transferred into a fellow subsidiary of the Group; this is expected to occur within twelve months from the date of these financial statements.

As a result, the Trustees have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. The Trustees have assessed whether any adjustments are required on this basis and have concluded that no adjustments are required as a result of being prepared on a basis other than going concern.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant impact on the financial statements is in respect of going concern, as described above.

Other accounting estimates

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Land and buildings; Properties are carried at valuation. This requires an estimation of the value of properties as at the balance sheet date, and adjusting the carrying value accordingly. During the prior financial year, all property fair values were determined by independent valuers in accordance with RICS Valuation Professional Standards. A formal third-party valuation exercise has not been conducted for the year ended 31 March 2025, as it is the opinion of the trustees that there has not been a material movement in the values of the properties.

Trade debtors: A provision is made against amounts which are considered doubtful on a specific client by client basis. The carrying value of trade debtors at the year end is £1,938,000 (2024 - £3,484,000).

Income and endowments

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Donations and legacies

Donations are recognised when the charitable company has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charitable company before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charitable company.

Grants receivable

Grants are recognised when the charitable company has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charitable company has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Properties are recorded at valuation. All other fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The portion of property value considered to be land is the lower of 33% of the valuation and the indicative site value.

Land and assets under the course of construction are not depreciated.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	10 to 40 years straight line
Long leasehold properties	Over the term of the lease
Computer equipment	4 to 10 years straight line
Fixtures, fittings and other equipment	4 to 14 years straight line
Motor vehicles	4 to 7 years straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charitable company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charitable company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the charitable company has an obligation at the reporting date as a result of a past event, it is probable that the charitable company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

Unrestricted income funds are general funds that are available for use at the Directors discretion in furtherance of the objectives of the charitable company.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Pensions and other post retirement obligations

The charitable company operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charitable company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Recognition and measurement

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charitable company's contractual obligations are discharged, cancelled, or they expire.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in subsidiaries are measured at cost less impairment.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

2 Accounting policies (continued)

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £ 000	Total 2025 £ 000	Total 2024 £ 000
Donations and legacies;			
Donations from individuals	28	28	1
	<u>28</u>	<u>28</u>	<u>1</u>

4 Income from charitable activities

	Unrestricted funds General £ 000	Total 2025 £ 000	Total 2024 £ 000
Care Home	34,563	34,563	32,092
Home Care	-	-	(44)
	<u>34,563</u>	<u>34,563</u>	<u>32,048</u>

5 Other income

	Unrestricted funds General £ 000	Total 2025 £ 000	Total 2024 £ 000
Income from trading subsidiary	-	-	112
Other	27	27	246
Grants	-	-	(31)
	<u>27</u>	<u>27</u>	<u>327</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

6 Expenditure on charitable activities

	Note	Unrestricted funds General £ 000	Total 2025 £ 000	Total 2024 £ 000
Resident Costs		1,069	1,069	1,150
Premises and equipment costs		3,093	3,093	5,041
Communications		15	15	453
Legal and professional		77	77	154
Other care expenses		163	163	94
Depreciation, amortisation and other similar costs		2,038	2,038	2,204
Staff costs		21,044	21,044	11,195
Allocated support costs	8	1,043	1,043	2,144
Agency staff costs		641	641	2,393
Other staff costs		512	512	535
		<u>29,695</u>	<u>29,695</u>	<u>25,363</u>

7 Other expenditure

	Unrestricted funds General £ 000	Total 2025 £ 000	Total 2024 £ 000
Other expenditure	4,142	4,142	10,052
	<u>4,142</u>	<u>4,142</u>	<u>10,052</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

7 Other expenditure (continued)

Other expenditure costs in 2025 and 2024 relate to various inter-company recharges.

8 Analysis of support costs

Charitable activities expenditure

	Unrestricted funds General £ 000	Total funds £ 000
Premises and equipment	6	6
Loan Interest payable	914	914
Other admin expense	123	123
Total for 2025	<u>1,043</u>	<u>1,043</u>
Total for 2024	<u>2,144</u>	<u>2,144</u>

9 Net outgoing resources

Net incoming/(outgoing) resources for the year include:

	2025 £ 000	2024 £ 000
Loss on disposal of fixed assets held for the charitable company's own use	24	115
Depreciation of fixed assets	<u>2,014</u>	<u>2,089</u>

10 Directors remuneration and expenses

No Directors, nor any persons connected with them, have received any remuneration from the charitable company during the year. Key management responsibilities were undertaken by employees of fellow Sanctuary Group undertakings in the year.

No trustees have received any reimbursed expenses from the charity during the year.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

11 Staff costs

The aggregate payroll costs were as follows:

	2025	2024
	£ 000	£ 000
Staff costs during the year were:		
Wages and salaries	19,022	10,144
Social security costs	1,548	752
Pension costs	474	299
	<u>21,044</u>	<u>11,195</u>

The monthly average number of persons (including senior management / leadership team) employed by the charitable company during the year was as follows:

	2025	2024
	No	No
Care services	<u>843</u>	<u>425</u>

No employee received emoluments of more than £60,000 during the year.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

12 Auditors' remuneration

	2025 £ 000	2024 £ 000
Estimated money value of benefits in kind for audit services	<u>40</u>	<u>40</u>

The amount paid to the auditor PKF Francis Clark for the audit of these financial statements is borne by its ultimate parent, Sanctuary Housing Association.

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is instead disclosed on a consolidated basis in the financial statements of the company's ultimate parent, Sanctuary Housing Association.

13 Taxation

The charitable company is a registered charity and is therefore exempt from corporation tax.

14 Tangible fixed assets

	Land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost or valuation				
At 1 April 2024	27,925	7,197	152	35,274
Additions	1,121	372	-	1,493
Disposals	<u>(1,100)</u>	<u>(191)</u>	<u>(18)</u>	<u>(1,309)</u>
At 31 March 2025	<u>27,946</u>	<u>7,378</u>	<u>134</u>	<u>35,458</u>
Depreciation				
At 1 April 2024	1,006	4,461	110	5,577
Charge for the year	1,221	785	8	2,014
Eliminated on disposals	<u>-</u>	<u>(165)</u>	<u>(13)</u>	<u>(178)</u>
At 31 March 2025	<u>2,227</u>	<u>5,081</u>	<u>105</u>	<u>7,413</u>
Net book value				
At 31 March 2025	<u>25,719</u>	<u>2,297</u>	<u>29</u>	<u>28,045</u>
At 31 March 2024	<u>26,919</u>	<u>2,736</u>	<u>42</u>	<u>29,697</u>

Included within the net book value of land and buildings above is £9,026,483 (2024 - £9,188,066) in respect of freehold land and buildings and £16,693,247 (2024 - £17,730,750) in respect of leaseholds.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

15 Fixed asset investments

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000
Cost	
At 1 April 2024	-
At 31 March 2025	-
Provision for impairment	
At 1 April 2024	-
At 31 March 2025	-
Net book value	
At 31 March 2025	-
At 31 March 2024	-

Details of undertakings

Details of the investments in which the charitable company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2025	2024	
Subsidiary undertakings					
Cornwall Care Services Limited	England and Wales	Ordinary	100%	100%	Care services
Cornwall Care Property Limited	England and Wales	Ordinary	100%	100%	Property developer

As a result of the directors' decision to transfer the trade and assets of Cornwall Care Services Limited and Cornwall Care Property Limited to a fellow subsidiary of the Sanctuary Group, the financial statements of these entities for the year ended 31 March 2025 have been prepared on a basis other than going concern.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

16 Debtors

	2025	2024
	£ 000	£ 000
Trade debtors	1,938	3,484
Due from group undertakings	5,300	2,635
Prepayments	343	246
Accrued income	407	348
	<u>7,988</u>	<u>6,713</u>

17 Cash and cash equivalents

	2025	2024
	£ 000	£ 000
Cash at bank	<u>2,301</u>	<u>2,638</u>

18 Creditors: amounts falling due within one year

	2025	2024
	£ 000	£ 000
Trade creditors	1,331	1,087
Other loans	459	451
Due to group undertakings	8,468	7,571
Other taxation and social security	-	2
Other creditors	227	238
Accruals	3,783	4,669
Deferred income	1,094	938
	<u>15,362</u>	<u>14,956</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

19 Creditors: amounts falling due after one year

	2025	2024
	£ 000	£ 000
Other loans	<u>12,336</u>	<u>13,795</u>

Bank and other loans

Other loan balances for 2025 include:

An intra-group loan agreement which was entered into in the previous year. The balance outstanding at the year end was £10.4m (2024: £11.4m). The intra group loan is held with Sanctuary Affordable Housing Limited and is secured by fixed and floating charges over the assets of the charitable company.

A further £1m intra-group revolving loan facility was entered into with Sanctuary Affordable Housing Limited in 2024. The revolving loan facility is secured by fixed and floating charges over the assets of the charitable company. The balance of this loan facility at the year end was £1.0m (2024: £1.0m)

During 2019, the charitable company took a loan with Cornwall Council which related to the settlement of the LGPS deferred benefit pension scheme taken up in September 2018 for £4.2m with an interest rate at 1.75% repayable over 115 months. The balance outstanding as at 2025 was £1.4m (2024: £1.8m).

20 Provisions

	Other provision	Total
	£ 000	£ 000
At 1 April 2024	(874)	(874)
Credited to the statement of recognised gains and losses	<u>441</u>	<u>441</u>
At 31 March 2025	<u>(433)</u>	<u>(433)</u>

Other provisions consists of employee related costs, balances due from pre acquisition, and irrecoverable VAT expenses.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

21 Funds

	Balance at 1 April 2024 £ 000	Incoming/ (outgoing) resources £ 000	Transfers £ 000	Balance at 31 March 2025 £ 000
Unrestricted funds				
General				
General fund	(9,366)	329	(6)	(9,043)
Other				
Pension post settlement	(1,852)	451	-	(1,401)
Revaluation reserve	20,407	-	-	20,407
	<u>18,555</u>	<u>451</u>	<u>-</u>	<u>19,006</u>
Total unrestricted funds	9,189	780	(6)	9,963
Restricted funds				
Huddy legacy	234	-	6	240
Total funds	<u>9,423</u>	<u>780</u>	<u>-</u>	<u>10,203</u>

The Huddy legacy is for the benefit of residents at Trevarna Care Home.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

21 Funds (continued)

	Balance at 1 April 2023 £ 000	Incoming/ (outgoing) resources £ 000	Transfers £ 000	Balance at 31 March 2024 £ 000
Unrestricted funds				
General				
General fund	(5,938)	(3,476)	48	(9,366)
Designated				
Homes' amenities account	55	-	(55)	-
Other				
Pension post settlement	(2,293)	441	-	(1,852)
Revaluation reserve	20,407	-	-	20,407
	<u>18,114</u>	<u>441</u>	<u>-</u>	<u>18,555</u>
Total unrestricted funds	12,231	(3,035)	(7)	9,189
Restricted				
Huddy legacy	227	-	7	234
	<u>227</u>	<u>-</u>	<u>7</u>	<u>234</u>
Total funds	<u>12,458</u>	<u>(3,035)</u>	<u>-</u>	<u>9,423</u>

22 Analysis of net assets between funds

	General Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2025 £ 000
Tangible fixed assets	7,638	20,407	-	-	28,045
Current assets	10,049	-	-	240	10,289
Current liabilities	(15,362)	-	-	-	(15,362)
Creditors over 1 year	(10,935)	-	(1,401)	-	(12,336)
Provisions	(433)	-	-	-	(433)
	<u>(9,043)</u>	<u>20,407</u>	<u>(1,401)</u>	<u>240</u>	<u>10,203</u>
Total net assets	<u>(9,043)</u>	<u>20,407</u>	<u>(1,401)</u>	<u>240</u>	<u>10,203</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

22 Analysis of net assets between funds (continued)

	General Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2024 £ 000
Tangible fixed assets	9,290	20,407	-	-	29,697
Current assets	9,118	-	-	234	9,352
Current liabilities	(14,957)	-	-	-	(14,957)
Creditors over 1 year	(11,943)	-	(1,852)	-	(13,795)
Provisions	(874)	-	-	-	(874)
Total net assets	<u>(9,366)</u>	<u>20,407</u>	<u>(1,852)</u>	<u>234</u>	<u>9,423</u>

23 Related party transactions

During the year, the charitable company made the following related party transactions:

Sanctuary Housing Association

During the year, the charitable company entered into transactions totalling £4,304,135 with Sanctuary Housing Association. At the balance sheet date, the amount due from Sanctuary Housing Association was £2,664,600.

Sanctuary Affordable Housing Limited

During the year, the charitable company entered into transactions totalling £819,256 with Sanctuary Affordable Housing Limited. At the balance sheet date, the amount due to Sanctuary Affordable Housing Limited was £12,398,497. This includes a loan balance and a revolving loan facility balance.

Sanctuary Care Limited

During the year, the charitable company entered into transactions totalling £14,549,077 with Sanctuary Care Limited. At the balance sheet date, the amount due to Sanctuary Care Limited was £3,284,024.

Sanctuary Maintenance Contractors Limited

During the year, the charitable company entered into transactions totalling £854,756 with Sanctuary Maintenance Contractors Limited. At the balance sheet date, the amount due to Sanctuary Maintenance Contractors Limited was £65,119.

Cornwall Care Services Limited

During the year, the charitable company entered into transactions totalling £nil with Cornwall Care Services Limited. At the balance sheet date, the amount due to Cornwall Care Services Limited was £4,115,349.

Cornwall Care Property Limited

During the year, the charitable company entered into transactions totalling £nil with Cornwall Care Property Limited. At the balance sheet date, the amount due from Cornwall Care Property Limited was £2,635,086.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2025

24 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is Sanctuary Housing Association, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Sanctuary Housing Association. These financial statements are available upon request from its registered office, Sanctuary House Chamber Court, Castle Street, Worcester, England, WR1 3ZQ.

25 Custodian trustee

The charitable company is custodian trustee of residents' savings bank accounts. The money held in these bank accounts at 31 March 2025 was £nil (2024: £39k). These accounts are in the residents' own names, are separate from the charitable company's own bank account and are not included in these financial statements. During March 2025, the balances in the residents' accounts were transferred into Sanctuary Care, and therefore Cornwall Care Limited is no longer the custodian trustee of these balances, hence the £nil balance this year.

CORNWALL CARE LIMITED

England & Wales - Charity number 1053486

Accounts

Cornwall Care Limited

**Annual Report and Financial Statements
Year Ended 31 March 2024**

Company registration number: 03079623

Charity registration number: 1053486

Cornwall Care Limited

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Cornwall Care Limited

Reference and Administrative Details

Directors

Ms L Blackwood
Ms S Clarke-Kuehn
Mr E Lunt
Mr N Warren
Mr J Whitmore
Mr P Williams

Secretary Ms N Seymour

**Charitable company
Registration Number** 1053486

Company Registration Number 03079623

Registered Office

The charitable company is incorporated in England and Wales.
Sanctuary House Chamber Court
Castle Street
Worcester
WR1 3ZQ

Auditor

PKF Francis Clark
Statutory Auditor
Lowin House
Tregolls Road
Truro
TR1 2NA

Solicitors:

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR

Bankers

Barclays Bank PLC
PO Box 229
Birmingham
B1 3PF

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

The Directors present their annual report, incorporating the Trustees' report and Strategic report, for the year to 31 March 2024 under the Companies Act 2006 together with the audited financial statements for the year and confirm that the latter complies with the requirements of the Act, the Articles of Association and the Charities SORP FRS 102.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Directors:

- Ms L Blackwood
- Ms S Clarke-Kuehn
- Mr E Lunt
- Mr N Warren
- Mr J Whitmore
- Mr P Williams

Secretary: Ms N Seymour

Principal activities

Cornwall Care Limited (the charitable company) was incorporated on 8 June 2001 under the Companies Act number 04231521. The company's ultimate parent undertaking is Sanctuary Housing Association and the charitable company forms part of the Sanctuary Group of entities (the Group). The principal activity of the charitable company continues to be the provision of care for adults and older people throughout Cornwall.

Our clients receive quality care services that are provided in the following ways:

- **Care Homes:** Our care homes provide care for older frail people and those with dementia, either on a permanent basis or for rehabilitation and respite visits. Nursing services were in operation in nine of these homes for the full year.
- **Extra Care / Supported Living:** A number of our properties contain independent living units which provide accommodation enabling adults with mental health issues to live semi-independent lives within the community.

Objectives and activities

Objects and aims

The company's objects, as set out in the Articles of Association, are:

- (a) to promote the relief of and provide relief, support and assistance to individuals who by reason of old age, or physical or mental handicap, require special care and attention;
- (b) to promote and provide relief to children and young people who require special care and attention; and
- (c) to promote, in particular the relief of, and provide support and assistance to, beneficiaries who are resident in or associated with the County of Cornwall, the County of Devon and the Isles of Scilly. 'Beneficiaries' means the people referred to in the points above,

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Public benefit

The company's charitable objectives are set out above. Throughout the year the Directors have sought to benefit the public by:

- providing care to those funded by means tested assistance from the Local Authority and Kernow Clinical Commissioning Group; and
- to continue to work closely with the Local Authorities and the Kernow Clinical Commissioning Group on implementing change in the way that care for older people, those with dementia and those with learning difficulties is provided.

As such the Directors confirm that they comply with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers and duties and consider it in all aspects of the Cornwall Care's activities as reflected throughout the Directors' Report.

Results

The results of the company for the year ended 31 March 2024 are set out on page 15.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Key performance indicators

The charitable company manages the following bed spaces:

Operation of care homes	2024		2023	
	Homes	Bed spaces	Homes	Bed spaces
	13	537	13	537

Key performance indicators are shown in the table below and compare the financial periods ended 31 March 2024 (12 months) and 31 March 2023 (15 months).

	2024	2023
Weekly turnover per bed space - based on average occupancy	£1,348	£1,607
Average occupancy per week	462	448
Occupancy as a % of total bed spaces (average for year)	82.9%	80.1%
Occupancy as a % of total bed spaces (year-end)	88.4%	75.8%

Review of business

Since joining the Sanctuary Group, Cornwall Care has forged a new strategic partnership, and continues to work closely, with Cornwall Council. This strategic partnership enables the two organisations to work closely together to ensure people in the county get high-quality care and support when they most need it.

2023/24 has seen steady occupancy growth, building on the trend set in the prior year as the care sector recovered from the impact of the Covid-19 pandemic. Whilst there has been an increase in occupancy and income streams, the availability of staff remained a challenge.

During this time, the charitable company has continued to see operational teams rise to the challenges presented and showcase a commitment to residents, as well as their tenacity and ability to innovate to deliver a quality service.

Cornwall Care has gone through a process of adopting Sanctuary Care's working practices and governance to ensure homes meet Care Quality Commission (CQC) standards. Internal quality assurance monitoring accurately reflects the CQC inspection standard and the charitable company is committed to working with the CQC to maintain the delivery of high quality care.

Future developments

Over the next 12 months, the Cornwall Care redevelopment programme with significant investment into the homes, will remain a key focus of work for the Group development team.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Principal risks and uncertainties

Principal risks

The charitable company is a subsidiary of Sanctuary Housing Association and part of the Sanctuary Group (the Group). The charitable company, as part of the Group, operates a comprehensive risk mapping process as part of its annual business planning cycle. This process identifies a number of external factors which affect both the Group and the charitable company.

The Executive Committee and Group Audit and Risk Committee review and scrutinise the risk maps for all Group entities. The Sanctuary Group Board approves the Sanctuary Group risk map.

The principal risks for the charitable company included in the risk map considered by the Board during 2023/2024 are:

- **Staff recruitment** - The ability to recruit and retain qualified carers and nurses is a continuing challenge for all care home operators. It impacts directly on the costs of operating care homes and the quality of care provided. The risk includes wage costs inflation in an environment where costs are increasing.
- **Longer term occupancy issues** - The charitable company faces competition from other care providers in the regions in which it operates. If a home were to experience an increase in the volume of vacant rooms or the duration of the vacancy, income streams and profitability of the care home will be impacted. The charitable company manages occupancy levels closely and ensures that the relationships it has with local authorities and other commissioning bodies remain strong and that there is also an established proportion of self funding clients in each home to ensure that rooms are filled promptly as they become vacant.
- **Changes to government policy, legislation and regulation** - The charitable company operations are closely regulated by the Care Quality Commission (CQC). The consequences of non-compliance with regulations could be significant for the charitable company. The charitable company has a robust audit system in place to ensure adherence to policies and compliance with regulatory requirements. Changes to CQC compliance are monitored to ensure policies and processes are updated. The charitable company maintains a risk map that is reviewed by the Board and also by the Group Audit and Risk Committee. Risks also include those around health and safety compliance, legislative requirements and contractual risks.

Financial risk

The charitable company has external debt finance in the form of both an intercompany loan with Sanctuary Affordable Housing Limited and a loan with Cornwall Council relating to the closure of the LGPS deferred benefit pension scheme. Further information is detailed in note 18 on page 33.

The Directors therefore view the overall level of financial risk of the charitable company as low.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Employee involvement

Regular meetings are held between senior managers and each business unit's management team to review progress and developments in their business. Within each business unit the manager holds regular staff meetings to ensure that the charitable company's goals and objectives are fully understood. Views and opinions of members of staff from around the whole Cornwall Care subgroup are collated annually in an anonymous web-based staff survey.

Business relationships

The charitable company's relationship with key business partners is integral to the success of the charitable company. Refer to the business relationships section in the s172 statement on page 7.

Health and safety

It is the clear intention of the charitable company to ensure, as far as reasonably practicable, the health, safety and welfare at work of all its employees. The charitable company undertakes to comply, as a minimum, with the provisions of the Health and Safety at Work Act 1974 and other relevant legislation to meet the objective of achieving the highest possible standards.

Investment in technology

Sanctuary Care has continued to roll-out kradle, which is an in-house electronic care planning app, as well as both electronic medication administration records (eMAR) and staff communications with the Kronos Dimensions app. Dedicated training is being provided to staff through the implementation of the new technology to ensure a smooth transformation from the paper-based approach. In time this will be extended to Cornwall Care as part of the integration plan.

Funds held as custodian trustee on behalf of others

Details are set out in note 25 of the financial statements.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Section 172 - Directors' Duties

The Directors of the charitable company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

The Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year.

In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the charitable company's employees;
- need to foster the charitable company's business relationships with suppliers, customers and others;
- impact of the charitable company's operations on the community and environment;
- desirability of the charitable company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the charitable company.

Detailed below is how the Board has maintained its commitment to promoting the success of the charitable company.

Consequences of decisions

The Board promotes a strong culture of governance within the charitable company, and continually monitors performance through the use of key performance indicators, as outlined on page 3.

The long-term strategy of the charitable company is embedded in the strategy of the Sanctuary Group, and details of the Corporate Strategy 2023-2026 can be found on the Sanctuary Group website at <https://www.sanctuary-group.co.uk/about-us/our-corporate-strategy>

Employees

The charitable company is committed to equal opportunities in employment.

Our employees have the key responsibility of providing residents with a quality level of care, and are fundamental to our success. Our employee satisfaction is monitored through employee engagement surveys, and employees are involved in matters affecting their functions.

It is Group policy to involve all employees in matters affecting their functions. At a formal level this takes place through the Staff Council where management consult with elected staff representatives. At an operational level a team briefing system is in place to keep all employees updated on core Group business issues.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Business relationships

Our key customer is our residents and the monitoring of our compliance with CQC ratings ensures we continue to provide a quality level of care. The charitable company is continually developing its use of technology to improve our quality of resident care and the strength of the supply chain.

Community & environment

The impact of the charitable company's operations on the community is integral to the activities of the charitable company and the Sanctuary Group of entities. Sanctuary Group is a strong investor in communities, investing over a million pounds in cash, time and resources each year.

High standard of conduct

The charitable company meets the needs of its residents through continuous internal and external monitoring, through the CQC regulators to continuously improve the standard of Care we provide.

Act fairly between members

The charitable company's sole member is its parent undertaking Sanctuary Housing Association. We encourage honest conversations between staff and managers at all levels, and through these conversations we work together even more effectively. Our intention is to behave responsibly towards the staff we employ and treat them fairly and equally, so they will benefit from the successful delivery of the Group's strategic plan.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Going concern

The Cornwall Care Group, which includes the charitable company, was acquired by Sanctuary Housing Association during the prior year.

Following the acquisition, the long-term future of the charitable company within Sanctuary Group is being considered. Consequently, the trade and assets of the charitable company may ultimately be transferred into a fellow subsidiary of the Group. However, should this occur, it would be more than 12 months after the date of signing these financial statements. Any possible future combination of the charitable company's operations with other entities in the Group, would be to achieve increased operational and financial efficiency, and maximise capital reinvestment, whilst continuing to deliver the highest quality of care to residents. At this stage, the contracts arising from the strategic partnership with Cornwall Council will continue to be serviced from this entity and the Council's requirements will be incorporated into any future plans.

The charitable company had net current liabilities of £5.6 million at 31 March 2024 (2023: £4.9 million). However, the charitable company has the continued support of its ultimate parent, Sanctuary Housing Association. The directors of the ultimate parent have provided a letter of support to the trustees of the charitable company to confirm that it intends, should the need arise, to provide financial and/or other support, including, if required, not seeking repayment of amounts currently made available, for the period to 31 March 2026. As with any entity placing reliance on other group entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Trustees have also prepared a going concern assessment, based on consideration of cash flow forecasts, for a period of at least 12 months from the date of approval of these financial statements (the going concern assessment period), taking account of a number of plausible downside scenarios. Consequently, the Trustees are confident that the charitable company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and Strategic report)

Statement of Directors' responsibilities

The Directors (who are also the directors of Cornwall Care Limited for the purposes of company law) are responsible for preparing the Directors' report (incorporating Trustees' report and Strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that can 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. 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.

26.03.2025

The annual report was approved by the Directors of the charitable company on and signed on its behalf by:

Signed by:


.....7430F5B829B2479.....
Ms L Blackwood
Trustee

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Opinion

We have audited the financial statements of Cornwall Care Limited (the 'charitable company') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors decision to prepare the accounts on a going concern basis is appropriate.

Based on the work we have performed, we have identified the intention to transfer the trade and assets of the business to a subsidiary company of the ultimate parent company does not cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

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

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Directors' report (incorporating Trustees' report and Strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report (incorporating Trustees' report and 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report (incorporating Trustees' report and Strategic report) .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities (set out on page 10), the Directors 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 Directors 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 Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Auditor 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.

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

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the charitable company. We gained an understanding of the industry in which the charitable company operates as part of this assessment to identify the key laws and regulations affecting the charitable company. As part of this, we reviewed the Sanctuary group website for indication of any regulations and certification in place which are applicable to the charitable company and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were the regulations of the Care Quality Commission (CQC), as well as health and safety regulations, tax legislation, employment law and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the charitable company's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of CQC ratings and reports and enquiries of management in relation to any ongoing CQC reviews and communications.
- Review of the charitable company's GDPR register and enquiries of the charitable company's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, accuracy of revenue cut off, and obtained an understanding of the controls in place to mitigate the risk of fraud. Based upon our understanding we designed and conducted audit procedures including:

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

As part of our enquiries, we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risk we identified was fraudulent financial reporting in respect of revenue completeness and cut off.

In response to the identified risk, as part of our audit work we:

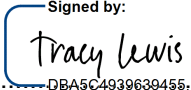
- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.
- Undertook specific cut-off procedures in respect of revenue around the year end.
- Reviewed controls related to income to ensure the completeness of revenue.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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. This description forms part of our auditor's report.

Use of our report

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

Signed by:

.....DBA5C4939639455.....

Tracy Lewis FCA (Senior Statutory Auditor)
For and on behalf of PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
TR1 2NA

Date: 27 March 2025
Date:.....

Cornwall Care Limited

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2024 £ 000
Income and Endowments from:				
Donations and legacies	3	1	-	1
Charitable activities	4	32,048	-	32,048
Investment income		3	-	3
Other income	5	327	-	327
Total income		<u>32,379</u>	<u>-</u>	<u>32,379</u>
Expenditure on:				
Charitable activities	6	(25,362)	-	(25,362)
Other expenditure	7	<u>(10,052)</u>	<u>-</u>	<u>(10,052)</u>
Total expenditure		<u>(35,414)</u>	<u>-</u>	<u>(35,414)</u>
Net expenditure		(3,035)	-	(3,035)
Transfers between funds		<u>(7)</u>	<u>7</u>	<u>-</u>
Net movement in funds		(3,042)	7	(3,035)
Reconciliation of funds				
Total funds brought forward		<u>12,231</u>	<u>227</u>	<u>12,458</u>
Total funds carried forward	21	<u><u>9,189</u></u>	<u><u>234</u></u>	<u><u>9,423</u></u>

The notes on pages 18 to 36 form an integral part of these financial statements.

Cornwall Care Limited

Statement of Financial Activities for the Year Ended 31 March 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Period ended 31 March 2023

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2023 £ 000
Income and Endowments from:				
Donations and legacies	3	33	-	33
Charitable activities	4	45,968	-	45,968
Investment income		1	-	1
Other income	5	789	-	789
Total income		<u>46,791</u>	<u>-</u>	<u>46,791</u>
Expenditure on:				
Charitable activities	6	(18,805)	-	(18,805)
Other expenditure	7	<u>(33,395)</u>	<u>-</u>	<u>(33,395)</u>
Total expenditure		<u>(52,200)</u>	<u>-</u>	<u>(52,200)</u>
Net expenditure		(5,409)	-	(5,409)
Transfers between funds		(11)	11	-
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(5,420)	11	(5,409)
Reconciliation of funds				
Total funds brought forward		<u>17,651</u>	<u>216</u>	<u>17,867</u>
Total funds carried forward	21	<u><u>12,231</u></u>	<u><u>227</u></u>	<u><u>12,458</u></u>

All of the charitable company's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 21.

Cornwall Care Limited

(Registration number: 03079623)
Balance Sheet as at 31 March 2024

	Note	2024 £ 000	2023 £ 000
Fixed assets			
Tangible assets	13	29,697	30,574
Investments	14	-	-
		<u>29,697</u>	<u>30,574</u>
Current assets			
Stocks		-	1
Debtors	15	6,714	2,721
Cash at bank and in hand	16	2,638	661
		<u>9,352</u>	<u>3,383</u>
Creditors: Amounts falling due within one year	17	<u>(14,957)</u>	<u>(8,289)</u>
Net current liabilities		<u>(5,605)</u>	<u>(4,906)</u>
Total assets less current liabilities		24,092	25,668
Creditors: Amounts falling due after more than one year	18	(13,795)	(13,210)
Provisions	19	<u>(874)</u>	-
Net assets		<u>9,423</u>	<u>12,458</u>
Funds of the charitable company:			
Restricted income funds			
Restricted funds	21	234	227
Unrestricted income funds			
Unrestricted funds		<u>9,189</u>	<u>12,231</u>
Total funds	21	<u>9,423</u>	<u>12,458</u>

The financial statements on pages 15 to 36 were approved by the Directors, and authorised for issue on 26.03.2025 and signed on their behalf by:

Signed by:

7430F5B829B2479.....
 Ms L Blackwood
 Trustee

The notes on pages 18 to 36 form an integral part of these financial statements.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Charitable company status

The charitable company is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Directors is liable to contribute an amount not exceeding £1 towards the assets of the charitable company in the event of liquidation.

The address of its registered office is:

Sanctuary House Chamber Court
Castle Street
Worcester
WR1 3ZQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Cornwall Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in pounds sterling which is the functional currency of the charitable company. Unless otherwise stated, amounts are denominated in thousands (£'000) rounded to the nearest £1,000.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Going concern

The Cornwall Care Group, which includes the charitable company, was acquired by Sanctuary Housing Association during the prior year.

Following the acquisition, the long-term future of the charitable company within Sanctuary Group is being considered. Consequently, the trade and assets of the charitable company may ultimately be transferred into a fellow subsidiary of the Group. However, should this occur, it would be more than 12 months after the date of signing these financial statements. Any possible future combination of the charitable company's operations with other entities in the Group, would be to achieve increased operational and financial efficiency, and maximise capital reinvestment, whilst continuing to deliver the highest quality of care to residents. At this stage, the contracts arising from the strategic partnership with Cornwall Council will continue to be serviced from this entity and the Council's requirements will be incorporated into any future plans.

The charitable company had net current liabilities of £5.6 million at 31 March 2024 (2023: £4.9 million). However, the charitable company has the continued support of its ultimate parent, Sanctuary Housing Association. The directors of the ultimate parent have provided a letter of support to the trustees of the charitable company to confirm that it intends, should the need arise, to provide financial and/or other support, including, if required, not seeking repayment of amounts currently made available, for the period to 31 March 2026. As with any entity placing reliance on other group entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Trustees have also prepared a going concern assessment, based on consideration of cash flow forecasts, for a period of at least 12 months from the date of approval of these financial statements (the going concern assessment period), taking account of a number of plausible downside scenarios. Consequently, the Trustees are confident that the charitable company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

Summary of disclosure exemptions

FRS102 grants a qualifying entity exemptions from the full requirements of FRS102. The following exemptions have been taken in these financial statements as the charity is deemed to be a qualifying entity:

The charity has taken advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and its ultimate parent company, Sanctuary Housing Association, includes the company's cash flows in its own consolidated financial statements.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant impact on the financial statements is in respect of going concern, as described above.

Other accounting estimates

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Land and buildings. Properties are carried at valuation. This requires an estimation of the value of properties as at the balance sheet date, and adjusting the carrying value accordingly. During the prior financial year, all property fair values were determined by independent valuers in accordance with RICS Valuation Professional Standards. A formal third-party valuation exercise has not been conducted for the year ended 31 March 2024, as it is the opinion of the trustees that there has not been a material movement in the values of the properties.

Trade debtors. Provision is made against amounts which are considered doubtful on a specific client by client basis. The carrying value of trade debtors at the year end is £3,484,000 (2023 - £2,029,000).

Income and endowments

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Donations and legacies

Donations are recognised when the charitable company has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charitable company before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charitable company.

Grants receivable

Grants are recognised when the charitable company has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charitable company has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Properties are recorded at valuation. All other fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The portion of property value considered to be land is the lower of 33% of the valuation and the indicative site value.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	10 to 40 years straight line
Long leasehold properties	Over the term of the lease
Computer equipment	4 to 10 years straight line
Fixtures, fittings and other equipment	4 to 10 years straight line
Motor vehicles	4 to 7 years straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Trade debtors

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charitable company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charitable company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the charitable company has an obligation at the reporting date as a result of a past event, it is probable that the charitable company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

Unrestricted income funds are general funds that are available for use at the Directors discretion in furtherance of the objectives of the charitable company.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Pensions and other post retirement obligations

The charitable company operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charitable company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Recognition and measurement

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charitable company's contractual obligations are discharged, cancelled, or they expire.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in subsidiaries are measured at cost less impairment.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

2 Accounting policies (continued)

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Donations and legacies;			
Donations from individuals	1	1	23
Grants, including capital grants;			
Grants from other charities	-	-	10
	<u>1</u>	<u>1</u>	<u>33</u>

4 Income from charitable activities

	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Care Home	32,092	32,092	44,514
Home Care	(44)	(44)	1,454
	<u>32,048</u>	<u>32,048</u>	<u>45,968</u>

5 Other income

	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Income from trading subsidiary	112	112	251
Other	246	246	15
Training	-	-	(11)
Grants	(31)	(31)	534
	<u>327</u>	<u>327</u>	<u>789</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

6 Expenditure on charitable activities

	Note	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Resident Costs		1,150	1,150	1,180
Premises and equipment costs		5,041	5,041	3,421
Communications		453	453	919
Legal and professional		154	154	746
Other care expenses		94	94	116
Depreciation, amortisation and other similar costs		2,203	2,203	2,341
Staff costs		11,195	11,195	1,808
Allocated support costs	8	2,144	2,144	1,783
Agency staff costs		2,393	2,393	6,172
Other staff costs		535	535	319
		<u>25,362</u>	<u>25,362</u>	<u>18,805</u>

7 Other expenditure

	Unrestricted funds General £ 000	Total 2024 £ 000	Total 2023 £ 000
Other expenditure	10,052	10,052	33,395
	<u>10,052</u>	<u>10,052</u>	<u>33,395</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

7 Other expenditure (continued)

Other expenditure costs in 2024 of £10,052k relate to various inter-company recharges.

Other expenditure costs in 2023 of £30,904k relate to various inter-company recharges. A further £2,491k relate to exceptional costs incurred as part of the acquisition including consultancy and professional fees, retention and severance payments, and other post acquisition costs such as termination of contracts.

8 Analysis of support costs

Charitable activities expenditure

	Unrestricted funds General £ 000	Total funds £ 000
Staff costs	15	15
Premises and equipment	678	678
Loan Interest payable	1,111	1,111
Other admin expense	340	340
Total for period ended 31 March 2024	2,144	2,144
Total for period ended 31 March 2023	1,783	1,783

9 Net outgoing resources

Net outgoing resources for the year include:

	2024 £ 000	2023 £ 000
Audit fees	40	35
Loss on disposal of fixed assets held for the charitable company's own use	115	1,033
Depreciation of fixed assets	2,089	1,308

10 Directors remuneration and expenses

No Directors, nor any persons connected with them, have received any remuneration from the charitable company during the year. Key management responsibilities were undertaken by employees of fellow Sanctuary Group undertakings in the year.

No trustees have received any reimbursed expenses from the charity during the year.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

11 Staff costs

The aggregate payroll costs were as follows:

	2024	2023
	£ 000	£ 000
Staff costs during the year were:		
Wages and salaries	10,144	1,685
Social security costs	753	90
Pension costs	298	33
	<u>11,195</u>	<u>1,808</u>

The monthly average number of persons (including senior management / leadership team) employed by the charitable company during the year was as follows:

	2024	2023
	No	No
Care services	<u>425</u>	<u>7</u>

No employee received emoluments of more than £60,000 during the year.

The number of employees whose emoluments fell within the following bands was:

	2024	2023
	No	No
£60,001 - £70,000	-	3
£70,001 - £80,000	-	2
£100,001 - £110,000	<u>-</u>	<u>1</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

12 Taxation

The charitable company is a registered charity and is therefore exempt from corporation tax.

13 Tangible fixed assets

	Land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost or valuation				
At 1 April 2023	27,824	6,224	198	34,246
Additions	1,201	973	-	2,174
Disposals	(1,100)	-	(46)	(1,146)
At 31 March 2024	<u>27,925</u>	<u>7,197</u>	<u>152</u>	<u>35,274</u>
Depreciation				
At 1 April 2023	107	3,433	132	3,672
Charge for the year	1,006	1,028	6	2,040
Eliminated on disposals	(107)	-	(28)	(135)
At 31 March 2024	<u>1,006</u>	<u>4,461</u>	<u>110</u>	<u>5,577</u>
Net book value				
At 31 March 2024	<u>26,919</u>	<u>2,736</u>	<u>42</u>	<u>29,697</u>
At 31 March 2023	<u>27,717</u>	<u>2,791</u>	<u>66</u>	<u>30,574</u>

Included within the net book value of land and buildings above is £9,188,066 (2023 - £10,308,889) in respect of freehold land and buildings and £17,731,351 (2023 - £17,409,000) in respect of leaseholds.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

14 Fixed asset investments

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000	Total £ 000
Cost		
At 1 April 2023	_____	_____
At 31 March 2024	_____	_____
Provision for impairment		
At 1 April 2023	_____ -	_____ -
At 31 March 2024	_____ -	_____ -
Net book value		
At 31 March 2024	=====	=====
At 31 March 2023	=====	=====

Details of undertakings

Details of the investments in which the charitable company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
Cornwall Care Services Limited	England and Wales	Ordinary	100%	100%	Care services
Cornwall Care Property Limited	England and Wales	Ordinary	100%	100%	Property developer

As a result of the directors' decision to transfer the trade and assets of Cornwall Care Services Limited and Cornwall Care Property Limited to a fellow subsidiary of the Sanctuary Group, the financial statements of these entities for the year ended 31 March 2024 have been prepared on a basis other than going concern.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

15 Debtors

	2024	2023
	£ 000	£ 000
Trade debtors	3,484	2,030
Due from group undertakings	2,635	-
Prepayments	247	97
Accrued income	348	594
	<u>6,714</u>	<u>2,721</u>

16 Cash and cash equivalents

	2024	2023
	£ 000	£ 000
Cash on hand	-	11
Cash at bank	2,638	650
	<u>2,638</u>	<u>661</u>

17 Creditors: amounts falling due within one year

	2024	2023
	£ 000	£ 000
Trade creditors	1,087	1,084
Other loans	451	480
Due to group undertakings	7,572	1,397
Other taxation and social security	2	5
Other creditors	237	1,206
Accruals	4,670	4,117
Deferred income	938	-
	<u>14,957</u>	<u>8,289</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

18 Creditors: amounts falling due after one year

	2024	2023
	£ 000	£ 000
Other loans	<u>13,795</u>	<u>13,210</u>

Bank and other loans

Other loan balances for 2024 include:

An intra-group loan agreement which was entered into in the previous year. The balance outstanding at the year end was £11.4m (2023: £11.4m). The intra group loan is held with Sanctuary Affordable Housing Limited and is secured by fixed and floating charges over the assets of the charitable company.

A further £1m intra-group revolving loan facility has been entered into with Sanctuary Affordable Housing Limited in 2024. The revolving loan facility is secured by fixed and floating charges over the assets of the charitable company

During 2019, the charitable company took a loan with Cornwall Council which related to the settlement of the LGPS deferred benefit pension scheme taken up in September 2018 for £4.2m with an interest rate at 1.75% repayable over 115 months. The balance outstanding as at 2024 was £1.4m (2023: £1.8m).

19 Provisions

	Other provision	Total
	£ 000	£ 000
At 1 April 2023	-	-
Increase from reclassifications	<u>874</u>	<u>874</u>
At 31 March 2024	<u>874</u>	<u>874</u>

The increase in provisions in year relates to items reclassified from accruals. This consists of employee related costs, balances due from pre acquisition and irrecoverable VAT expenses.

20 Pension schemes

Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company to the scheme and amounted to £474,722 (2023 - £493,330).

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

21 Funds

	Balance at 1 April 2023 £ 000	Incoming/ (outgoing) resources £ 000	Transfers £ 000	Balance at 31 March 2024 £ 000
Unrestricted funds				
General				
General fund	(5,938)	(3,476)	48	(9,366)
Designated				
Homes' amenities account	55	-	(55)	-
Other				
Pension post settlement	(2,293)	441	-	(1,852)
Revaluation reserve	20,407	-	-	20,407
	<u>18,114</u>	<u>441</u>	<u>-</u>	<u>18,555</u>
Total unrestricted funds	12,231	(3,035)	(7)	9,189
Restricted funds				
Huddy legacy	<u>227</u>	<u>-</u>	<u>7</u>	<u>234</u>
Total funds	<u><u>12,458</u></u>	<u><u>(3,035)</u></u>	<u><u>-</u></u>	<u><u>9,423</u></u>

The Homes' amenities accounts are to provide minor comforts and benefits for residents in consultation with the residents and staff. All of the amenities bank accounts were closed during the year following the acquisition by Sanctuary Group and therefore the balance has been transferred to general funds.

The Huddy legacy is for the benefit of residents at Trevarna Care Home.

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

21 Funds (continued)

	Balance at 1 January 2022 £ 000	Incoming/ (outgoing) resources £ 000	Transfers £ 000	Balance at 31 March 2023 £ 000
Unrestricted funds				
General				
General fund	(821)	(5,106)	(11)	(5,938)
Designated				
Homes' amenities account	55	-	-	55
Other				
Pension post settlement	(2,796)	503	-	(2,293)
Revaluation reserve	21,213	(806)	-	20,407
	<u>18,417</u>	<u>(303)</u>	<u>-</u>	<u>18,114</u>
Total unrestricted funds	17,651	(5,409)	(11)	12,231
Restricted				
Huddy legacy	216	-	11	227
	<u>216</u>	<u>-</u>	<u>11</u>	<u>227</u>
Total funds	<u>17,867</u>	<u>(5,409)</u>	<u>-</u>	<u>12,458</u>

22 Analysis of net assets between funds

	General Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2024 £ 000
Tangible fixed assets	9,290	20,407	-	-	29,697
Current assets	9,118	-	-	234	9,352
Current liabilities	(14,957)	-	-	-	(14,957)
Creditors over 1 year	(11,943)	-	(1,852)	-	(13,795)
Provisions	(874)	-	-	-	(874)
	<u>(9,366)</u>	<u>20,407</u>	<u>(1,852)</u>	<u>234</u>	<u>9,423</u>
Total net assets	<u>(9,366)</u>	<u>20,407</u>	<u>(1,852)</u>	<u>234</u>	<u>9,423</u>

Cornwall Care Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

22 Analysis of net assets between funds (continued)

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2023 £ 000
Tangible fixed assets	10,167	-	20,407	-	-	30,574
Current assets	3,101	55	-	-	227	3,383
Current liabilities	(8,289)	-	-	-	-	(8,289)
Creditors over 1 year	<u>(10,917)</u>	<u>-</u>	<u>-</u>	<u>(2,293)</u>	<u>-</u>	<u>(13,210)</u>
Total net assets	<u><u>(5,938)</u></u>	<u><u>55</u></u>	<u><u>20,407</u></u>	<u><u>(2,293)</u></u>	<u><u>227</u></u>	<u><u>12,458</u></u>

23 Related party transactions

The charitable company has taken advantage of the exemption under the terms of FRS102 from disclosing related party transactions with entities that are part of the Sanctuary Group.

There were no related party transactions in the year other than those with entities within the Sanctuary Group.

24 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is Sanctuary Housing Association, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Sanctuary Housing . These financial statements are available upon request from its registered office, Sanctuary House Chamber Court, Castle Street, Worcester, England, WR1 3ZQ.

25 Custodian trustee

The charitable company is custodian trustee of residents' savings bank accounts. The money held in these bank accounts at 31 March 2024 was £39k (2023: £41k). These accounts are in the residents' own names, are separate from the charitable company's own bank account and are not included in these financial statements.

CORNWALL CARE LIMITED

England & Wales - Charity number 1053486

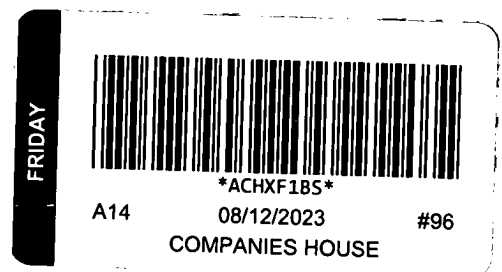
Accounts

Cornwall Care Limited

Annual Report and Consolidated Financial Statements period from 1 January 2022 to 31 March 2023

Company registration number: 03079623

Charity registration number: 1053486



Cornwall Care Limited

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Cornwall Care Limited

Reference and Administrative Details

Directors	Ms L Blackwood Ms S Clarke-Kuehn Mr E Lunt Ms N Warren Mr J Whitmore Mr P Williams
Secretary	Ms N Seymour
Registered Office	Sanctuary House Chamber Court Castle Street Worcester Worcestershire WR1 3ZQ The charitable company is incorporated in England and Wales.
Company Registration Number	03079623
Charitable company Registration Number	1053486
Solicitors	Foot Antsey LLP High Water House Malpas Road Truro TR1 1QH
Bankers	Lloyds Bank Plc PO Box 128 8 Royal Parade Plymouth PL1 1LX
Auditor	PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro TR1 2NA

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

The Directors present their annual report, incorporating the Trustees' report and strategic report, for the 15 month period to 31 March 2023 under the Companies Act 2006 together with the audited consolidated financial statements for the period and confirm that the latter complies with the requirements of the Act, the Articles of Association and the Charities SORP FRS 102.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Directors:	Ms H Bennett (resigned 21 October 2022)
	Ms L Blackwood (appointed 21 October 2022)
	Ms S Clarke-Kuehn (appointed 21 October 2022)
	Mr J Day (resigned 21 October 2022)
	Mr I Harris (appointed 13 January 2022 and resigned 21 October 2022)
	Mr D Law (resigned 21 October 2022)
	Mr E Lunt (appointed 21 October 2022)
	Ms T Sorensen OBE (resigned 21 October 2022)
	Mr P Stewart (resigned 21 October 2022)
	Mrs S Taylor (resigned 22 October 2022)
	Ms N Warren (appointed 21 October 2022)
	Mr J Whitmore (appointed 21 October 2022)
	Mr P Williams (appointed 21 October 2022)
Secretary:	Ms N Seymour (appointed 21 October 2022)

Objectives and activities

Objects and aims

The Cornwall Care Group's objects, as set out in the group's Articles of Association, are:

- (a) to promote the relief of and provide relief, support and assistance to individuals who by reason of old age, or physical or mental handicap, require special care and attention;
- (b) to promote and provide relief to children and young people who require special care and attention; and
- (c) to promote, in particular the relief of, and provide support and assistance to, beneficiaries who are resident in or associated with the County of Cornwall, the County of Devon and the Isles of Scilly. 'Beneficiaries' means the people referred to in the points above.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Public benefit

The group's charitable objectives are set out above. Throughout the year the Directors have sought to benefit the public by:

- providing care to those funded by means tested assistance from the Local Authority and Kernow Clinical Commissioning Group; and
- to continue to work closely with the Local Authorities and the Kernow Clinical Commissioning Group on implementing change in the way that care for older people, those with dementia and those with learning difficulties is provided.

As such the Directors confirm that they comply with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers and duties and consider it in all aspects of the Cornwall Care Group's activities as reflected throughout the Directors' Report.

Principal Activities

Cornwall Care Limited (the Company) was incorporated on 8 June 2001 under the Companies Act number 04231521. The Company's ultimate parent undertaking is Sanctuary Housing Association and the Company forms part of the Sanctuary Group of entities (the Sanctuary Group). The principal activity of the Company continues to be the provision of care for adults and older people throughout Cornwall. Our clients receive quality care services that are provided in the following ways:

- **Care Homes:** Our care homes provide care for older frail people and those with dementia, either on a permanent basis or for rehabilitation and respite visits. Nursing services were in operation in nine of these homes for the full year.
- **Extra Care / Supported Living:** A number of our properties contain independent living units which provide accommodation enabling adults with mental health issues to live semi-independent lives within the community.
- **Home Care:** Our domiciliary and community care services deliver care and related services to clients in their own homes.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Results and gift aid payments

The consolidated results of the Cornwall Care Group for the period ended 31 March 2023 are set out on page 16. There was no gift aid payment made for 2022/2023 to the Company's ultimate parent undertaking, Sanctuary Housing Association (2021: £nil).

Key performance indicators

The Company manages the following bed spaces:

	2023		2021	
	Homes	Bed spaces	Homes	Bed spaces
Operation of care homes	13	537	16	646

Key performance indicators are shown in the table below and compare the financial periods ended 31 March 2023 (15 months) and 31st December 2021 (12 months).

	2023	2021
Staffing costs as a % of turnover	76.4%	%
Weekly staffing cost per bed space – based on average occupancy	£1,207	£966
Weekly turnover per bed space – based on average occupancy	£1,580	£1,381
Average occupancy per week	448	530
Occupancy as a % of total bed spaces (average for year)	80.1%	82.0%
Occupancy as a % of total bed spaces (year end)	75.8%	81.7%

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Review of business

On 21 October 2022 the Company became a wholly owned subsidiary of Sanctuary Housing Association. Over recent years the Company had faced a combination of sector-wide and organisation specific challenges. Joining Sanctuary will restore financial viability, improve the quality of the Company's assets through reinvestment and development, increase the efficiency of the Company's support services and enhance local stakeholder relationships.

A new strategic partnership has been forged with Cornwall Council by Sanctuary which will enable the two organisations to work closely together to ensure people in the county get high-quality care and support when they most need it.

2022/23 saw the start of the recovery on the care sector following the pandemic. Whilst there has been an increase in occupancy and income streams, the availability of staff remained a challenge. During this time, the Company has continued to see operational teams rise to the challenges presented and showcase a commitment to residents, as well as their tenacity and ability to innovate to deliver a quality service.

Recovery of occupancy has been slow and steady during 2022/2023 with some fluctuations resulting from the change to the contractual agreement in place with the local authority, as a consequence of the change in ownership of Cornwall Care Limited and Cornwall Care Services Limited.

At the start of the financial year three homes were closed, Trengrouse, Mountford and Headlands. Trengrouse was transferred back to Cornwall Council prior to the acquisition by Sanctuary Group.

Cornwall Care has gone through a process of adopting Sanctuary Care's working practices and governance to ensure homes meet Care Quality Commission (CQC). Internal quality assurance monitoring accurately reflects the CQC inspection standard and the Company is committed to working with the CQC to maintain the delivery of high quality care. Cornwall Care's CQC compliance (rated Good or Outstanding) is 92 per cent and is favourable to the sector average of 79 per cent.

Future developments

Over the next 12 months the Company will continue to integrate systems and processes to align with the Sanctuary Group, with a focus on occupancy growth and cost control. Investment into the homes will continue across the portfolio.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Principal risks and uncertainties

Principal risks

The Company is a subsidiary of Sanctuary Housing Association and part of the Sanctuary Group. The Company, as part of the Sanctuary Group, operates a comprehensive risk mapping process as part of its annual business planning cycle. This process identifies a number of external factors which affect both the Sanctuary Group and the Company.

The Executive Committee and Group Audit and Risk Committee review and scrutinise the risk maps for all Sanctuary Group entities. The Sanctuary Group Board approves the Sanctuary Group risk map.

The principal risks for the Company included in the risk map considered by the Board during 2022/2023 are:

- Staff recruitment - The ability to recruit and retain qualified carers and nurses is a continuing challenge for all care home operators. It impacts directly on the costs of operating care homes and the quality of care provided. The challenge to effectively recruit and maintain adequate staffing levels is now being met head on, with pay increases for frontline staff in April 2022, investment in advertising and recruitment campaigns and incentives such as our Refer a Friend scheme and welcome payments, as well as enhanced training and career progression opportunities.
- Longer term occupancy issues - The Company faces competition from other care providers in the regions in which it operates. If a home were to experience an increase in the volume of vacant rooms or the duration of the vacancy, income streams and profitability of the care home will be impacted. The Company manages occupancy levels closely and ensures that the relationships it has with local authorities and other commissioning bodies remain strong and that there is also an established proportion of self funding clients in each home to ensure that rooms are filled promptly as they become vacant.
- Changes to government policy, legislation and regulation - The Company's operations are closely regulated by the Care Quality Commission (CQC). The consequences of non-compliance with regulations could be significant for the Company. The Company has a robust audit system in place to ensure adherence to policies and compliance with regulatory requirements. Changes to CQC compliance are monitored to ensure policies and processes are updated. The upcoming Fair Costs of Care is awaiting further details of how it could impact the Company. The Company maintains a risk map that is reviewed by the Board and also by the Sanctuary Group Audit and Risk Committee. Risks also include those around health and safety compliance, legislative requirements and contractual risks.

Financial risk

The Company has external debt finance in the form of both an intercompany loan with Sanctuary Affordable Housing Limited and a loan with Cornwall Council relating to the closure of the LGPS deferred benefit pension scheme. Further information is detailed in note 19 on page 38.

The Directors therefore view the overall level of financial risk of the Company as low.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Employee involvement

Regular meetings are held between senior managers and each business unit's management team to review progress and developments in their business. Within each business unit the manager holds regular staff meetings to ensure that the group's goals and objectives are fully understood. Views and opinions of members of staff from around the whole Cornwall Care subgroup are collated annually in an anonymous web-based staff survey.

Business relationships

The Company's relationship with key business partners is integral to the success of the Company. Refer to the business relationships section in the s172 statement on page 8.

Health and safety

It is the clear intention of the Sanctuary Group to ensure, as far as reasonably practicable, the health, safety and welfare at work of all its employees. The Sanctuary Group undertakes to comply, as a minimum, with the provisions of the Health and Safety at Work Act 1974 and other relevant legislation to meet the objective of achieving the highest possible standards.

Investment in technology

Sanctuary Care has continued to roll-out kradle, which is an in-house electronic care planning app, as well as both electronic medication administration records (eMAR) and staff communications with the Kronos Dimensions app. Dedicated training is being provided to staff through the implementation of the new technology to ensure a smooth transformation from the paper-based approach. In time this will be extended to Cornwall Care group of entities as part of the integration plan.

Funds held as custodian trustee on behalf of others

Details are set out in note 25 to the financial statements.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Section 172 - Directors' Duties

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

The Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year.

In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, clients and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.'

Detailed below is how the Board has maintained its commitment to promoting the success of the Company.

Consequences of decisions

The Board promotes a strong culture of governance within the Company, and continually monitors performance through the use of key performance indicators, as outlined on page 4.

The long-term strategy of the Company is embedded in the strategy of the Sanctaury Group, and details of the Corporate Strategy 2023-2026 can be found on the Sanctuary Group website at <https://www.sanctuary-group.co.uk/about-us/our-corporate-strategy>

Employees

The Company is committed to equal opportunities in employment.

Our employees have the key responsibility of providing residents with a quality level of care, and are fundamental to our success. Our employee satisfaction is monitored through employee engagement surveys, and employees are involved in matters affecting their functions.

It is Group policy to involve all employees in matters affecting their functions. At a formal level this takes place through the Staff Council where management consult with elected staff representatives. At an operational level a team briefing system is in place to keep all employees updated on core Group business issues.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Business relationships

Our key customer is our residents and the monitoring of our compliance with CQCI ratings ensures we continue to provide a quality level of care. The Company is continually developing its use of technology to improve our quality of resident care and the strength of the supply chain.

Community & environment

The impact of the Company's operations on the community is integral to the activities of the Company and the Sanctuary Group of entities. Sanctuary Group is a strong investor in communities, investing over a million pounds in cash, time and resources each year.

High standard of conduct

The Company meets the needs of its residents through continuous internal and external monitoring, through the CQC regulators to continuously improve the standard of Care we provide. Details of the CQC ratings are given on page 5 in the review of business.

Act fairly between members

The Company's sole member is its parent undertaking Sanctuary Housing Association. We encourage honest conversations between staff and managers at all levels, and through these conversations we work together even more effectively. Our intention is to behave responsibly towards the staff we employ and treat them fairly and equally, so they will benefit from the successful delivery of the Group's strategic plan.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Statement of Directors' responsibilities

The Directors (who are also the directors of Cornwall Care Limited for the purposes of company law) are responsible for preparing the Directors' report (incorporating Trustees' report and strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Directors to prepare financial statements for each financial period. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 parent charitable company will continue in business.

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

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

30.11.2023

The annual report was approved by the Directors of the charitable company on and signed on its behalf by:

DocuSigned by:

.....
7430F5B82982479.....
Ms L Blackwood
Trustee

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Opinion

We have audited the financial statements of Cornwall Care Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the period from 1 January 2022 to 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 Directors 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

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

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 and Directors' report (incorporating Trustees' report and strategic report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the and Directors' report (incorporating Trustees' report and strategic report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Directors' report (incorporating Trustees' report and strategic report) .

We have nothing to report in respect of the following matters where the Companies Act 2006 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 Directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities (set out on page 10), the Directors 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 Directors 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 Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Auditor 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.

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

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the Cornwall Care group of companies. We gained an understanding of the industry in which the Cornwall Care Group operates as part of this assessment to identify the key laws and regulations affecting the Cornwall Care Group and parent company. As part of this, we reviewed the Cornwall Care Group's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were the regulations of the Care Quality Commission (CQC), as well as health and safety regulations, tax legislation, employment law and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Cornwall Care Group and parent company's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of CQC ratings and reports and enquiries of management in relation to any ongoing CQC reviews and communications.
- Review of the Cornwall Care Group's GDPR register and enquiries of the Cornwall Care Group's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, accuracy of revenue cut off, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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. This description forms part of our auditor's report.

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Use of our report

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



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
TR1 2NA

Date: 01/12/2023

Cornwall Care Limited

Consolidated Statement of Financial Activities

Period from 1 January 2022 to 31 March 2023

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2023 £ 000
Income and Endowments from:				
Donations and legacies	3	33	-	33
Charitable activities	4	45,968	-	45,968
Investment income		1	-	1
Other income	5	545	-	545
Total income		<u>46,547</u>	<u>-</u>	<u>46,547</u>
Expenditure on:				
Charitable activities	6	<u>(47,538)</u>	<u>-</u>	<u>(47,538)</u>
Total expenditure		<u>(47,538)</u>	<u>-</u>	<u>(47,538)</u>
Exceptional items	8	<u>(3,666)</u>	<u>-</u>	<u>(3,666)</u>
Net expenditure		(4,657)	-	(4,657)
Transfers between funds		(11)	11	-
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		<u>39</u>	<u>-</u>	<u>39</u>
Net movement in funds		(4,629)	11	(4,618)
Reconciliation of funds				
Total funds brought forward		<u>19,814</u>	<u>216</u>	<u>20,030</u>
Total funds carried forward	21	<u>15,185</u>	<u>227</u>	<u>15,412</u>

The notes on pages 21 to 44 form an integral part of these financial statements.

Cornwall Care Limited

Consolidated Statement of Financial Activities

Period from 1 January 2022 to 31 March 2023

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 December 2021

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2021 £ 000
Income and Endowments from:				
Donations and legacies	3	50	-	50
Charitable activities	4	38,067	-	38,067
Other income	5	2,265	-	2,265
Total income		<u>40,382</u>	<u>-</u>	<u>40,382</u>
Expenditure on:				
Charitable activities	6	<u>(40,186)</u>	<u>-</u>	<u>(40,186)</u>
Total expenditure		<u>(40,186)</u>	<u>-</u>	<u>(40,186)</u>
Exceptional items	8	<u>2,675</u>	<u>-</u>	<u>2,675</u>
Net income		2,871	-	2,871
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		<u>676</u>	<u>-</u>	<u>676</u>
Net movement in funds		3,547	-	3,547
Reconciliation of funds				
Total funds brought forward		<u>16,264</u>	<u>216</u>	<u>16,480</u>
Total funds carried forward	21	<u><u>19,811</u></u>	<u><u>216</u></u>	<u><u>20,027</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 21.

Cornwall Care Limited

Consolidated Balance Sheet

31 March 2023

	Note	31 March 2023 £ 000	31 December 2021 £ 000
Fixed assets			
Tangible assets	13	30,574	32,299
Current assets			
Stocks	15	1,801	2,675
Debtors	16	2,720	3,256
Cash at bank and in hand	17	736	2,281
		<u>5,257</u>	<u>8,212</u>
Creditors: Amounts falling due within one year	18	<u>(7,210)</u>	<u>(6,844)</u>
Net current (liabilities)/assets		<u>(1,953)</u>	<u>1,368</u>
Total assets less current liabilities		28,621	33,667
Creditors: Amounts falling due after more than one year	19	<u>(13,210)</u>	<u>(13,637)</u>
Net assets		<u>15,411</u>	<u>20,030</u>
Funds of the group:			
Restricted income funds			
Restricted funds	21	227	216
Unrestricted income funds			
Unrestricted funds	21	15,184	19,814
Total funds	21	<u>15,411</u>	<u>20,030</u>

The financial statements on pages 16 to 44 were approved by the Directors, and authorised for issue on 30.11.2023 and signed on their behalf by:

DocuSigned by:

Leanne Blackwood

.....7A3QF5R829B2479.....

Ms L Blackwood
Trustee

The notes on pages 21 to 44 form an integral part of these financial statements.

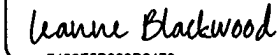
Cornwall Care Limited

Balance Sheet

31 March 2023

	Note	31 March 2023 £ 000	31 December 2021 £ 000
Fixed assets			
Tangible assets	13	30,574	32,266
Current assets			
Stocks	15	1	-
Debtors	16	2,720	3,245
Cash at bank and in hand	17	661	2,266
		<u>3,382</u>	<u>5,511</u>
Creditors: Amounts falling due within one year	18	<u>(8,288)</u>	<u>(6,273)</u>
Net current liabilities		<u>(4,906)</u>	<u>(762)</u>
Total assets less current liabilities		25,668	31,504
Creditors: Amounts falling due after more than one year	19	<u>(13,210)</u>	<u>(13,637)</u>
Net assets		<u>12,458</u>	<u>17,867</u>
Funds of the charitable company:			
Restricted income funds			
Restricted funds	21	227	216
Unrestricted income funds			
Unrestricted funds		<u>12,231</u>	<u>17,651</u>
Total funds	21	<u>12,458</u>	<u>17,867</u>

The financial statements on pages 16 to 44 were approved by the Directors, and authorised for issue on 30.11.2023 and signed on their behalf by:

DocuSigned by:

 7430F58829B2476.....
 Ms L Blackwood
 Trustee

The notes on pages 21 to 44 form an integral part of these financial statements.

Cornwall Care Limited

Consolidated Statement of Cash Flows

Period from 1 January 2022 to 31 March 2023

	Note	2023 £ 000	2021 £ 000
Cash flows from operating activities			
Net cash (expenditure)/income		(4,618)	3,547
Adjustments to cash flows from non-cash items			
Depreciation	8	1,308	1,193
Investment income		(1)	-
Interest payable		722	419
Loss on disposal of fixed assets held for the group's own use	9	1,042	-
Impairment loss on disposal of fixed assets held for the group's own use		34	-
Freehold property revaluation		(39)	(677)
		<u>(1,552)</u>	<u>4,482</u>
Working capital adjustments			
Decrease/(increase) in stocks	15	874	(2,591)
Decrease in debtors	16	536	33
Increase in creditors	18	1,012	1,120
Decrease in deferred income	19	-	(500)
		<u>870</u>	<u>2,544</u>
Net cash flows from operating activities			
Cash flows from investing activities			
Interest receivable and similar income		1	-
Purchase of tangible fixed assets	13	(614)	(1,007)
		<u>(613)</u>	<u>(1,007)</u>
Net cash flows from investing activities			
Cash flows from financing activities			
Interest payable and similar charges		(722)	(419)
Value of new loans obtained during the period		-	959
Repayment of loans and borrowings	18	(1,080)	(781)
		<u>(1,802)</u>	<u>(241)</u>
Net cash flows from financing activities			
Net (decrease)/increase in cash and cash equivalents		(1,545)	1,296
Cash and cash equivalents at 1 January		<u>2,281</u>	<u>985</u>
Cash and cash equivalents at 31 March		<u><u>736</u></u>	<u><u>2,281</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

1 Charitable company status

The charitable company is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Directors is liable to contribute an amount not exceeding £1 towards the assets of the charitable company in the event of liquidation.

The address of its registered office is:

Sanctuary House Chamber Court
Castle Street
Worcester
Worcestershire
WR1 3ZQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Cornwall Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The prior year's report highlighted the final stages of a merger. The Cornwall Care Group was acquired by Sanctuary Housing Association (part of the Sanctuary Group) in September 2022. The acquisition has secured the going concern of the Cornwall Care Group.

The directors can confirm that there are no concerns to report and that the group will meet its financial obligations for the foreseeable future. The Board are confident that the group is able to continue as a going concern and the financial statements have therefore been drawn up on the going concern basis.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

2 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant impact on the financial statements is in respect of going concern, as described above.

Other accounting estimates

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Land and buildings. Properties are carried at valuation. This requires an estimation of the value of properties as at the balance sheet date, and adjusting the carrying value accordingly.

Trade debtors. Provision is made against amounts which are considered doubtful on a specific client by client basis. The carrying value of trade debtors at the year end is £2,029,000 (2021 - £2,772,000).

Income and endowments

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charitable company has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charitable company before the charitable company is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charitable company and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charitable company.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

2 Accounting policies (continued)

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Properties are recorded at valuation. All other fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

2 Accounting policies (continued)

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	2% straight line
Long leasehold properties	over the term of the lease
Computer equipment	25% straight line
Fixtures, fittings and other equipment	25% straight line
Motor vehicles	25% straight line
Long term equipment	10% straight line
Photo voltaic panels	4% straight line

Research and development

Research and development expenditure is written off as incurred.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charitable company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charitable company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charitable company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the Directors discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

2 Accounting policies (continued)

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Investments

Investments in subsidiaries are measured at cost less impairment.

3 Income from donations and legacies

	Unrestricted funds General £ 000	Total funds £ 000
Donations and legacies;		
Donations from individuals	23	23
Grants, including capital grants;		
Grants from other charities	10	10
Total for period ended 31 March 2023	33	33
Total for period ended 31 December 2021	50	50

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

4 Income from charitable activities

	Unrestricted funds General £ 000	Total funds £ 000
Care Home	44,514	44,514
Home Care	1,454	1,454
Total for period ended 31 March 2023	45,968	45,968
Total for period ended 31 December 2021	38,067	38,067

5 Other income

	Unrestricted funds General £ 000	Total 2023 £ 000	Total 2021 £ 000
Grants	525	525	2,255
Other	20	20	10
	545	545	2,265

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

6 Expenditure on charitable activities

	Note	Unrestricted funds General £ 000	Total 2023 £ 000	Total 2021 £ 000
Resident Costs		1,180	1,180	1,308
Premises and equipment costs		3,421	3,421	3,140
Communications		918	918	924
Legal and professional		756	756	571
Other care expenses		114	114	249
Depreciation, amortisation and other similar costs		2,374	2,374	1,193
Staff costs		25,690	25,690	22,644
Agency staff costs		6,177	6,177	4,086
Other staff costs		363	363	631
Allocated support costs	7	6,545	6,545	5,440
		<u>47,538</u>	<u>47,538</u>	<u>40,186</u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

7 Analysis of support costs

Charitable activities expenditure

	Unrestricted funds General £ 000	Total funds £ 000
Staff costs	3,934	3,934
Other staff costs	41	41
Premises and equipment	604	604
Loan Interest payable	722	722
Other admin expense	1,244	1,244
Total for period ended 31 March 2023	<u>6,545</u>	<u>6,545</u>
Total for period ended 31 December 2021	<u>5,439</u>	<u>5,439</u>

8 Exceptional items

	Unrestricted funds General £ 000	Total funds £ 000
Exceptional items	<u>(3,666)</u>	<u>(3,666)</u>
Total for period ended 31 March 2023	<u>(3,666)</u>	<u>(3,666)</u>
Total for period ended 31 December 2021	<u>2,675</u>	<u>2,675</u>

Exceptional costs in 2023 of £3,666k relate to various costs incurred as part of acquisition including £515k of consultancy and professional fees, £975k retention and severance payments and £1,290k of other post acquisition costs, such as termination of contracts. In addition, £886k relates to the impairment of the Wadebridge site.

Exceptional income in 2021 of £2,675k relates to the write back of costs previously written off in respect of plans to develop a care village including cost of exercising the option to purchase a 10 acre site in Wadebridge completed in January 2018.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

9 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the period include:

	2023	2021
	£ 000	£ 000
Loss on disposal of fixed assets held for the group's own use	1,066	-
Impairment loss on fixed assets held for the group's own use	33	-
Depreciation of fixed assets	1,308	1,193
Remuneration to auditors for audit services - group	35	26
Remuneration to auditors for audit services - company	7	5
Remuneration to auditors for tax services - company	5	3
Write back development costs	-	(2,675)

10 Trustees remuneration and expenses

No directors of the company received remuneration in the year (2021:2 directors received £24,000). No directors received reimbursement for travel costs and subsistence for attending meetings and training courses.

The company has Directors and Officers Liability insurance with Royal and Sun Alliance which provides £2m of indemnity insurance for the directors.

11 Staff costs

The aggregate payroll costs were as follows:

	2023	2021
	£ 000	£ 000
Staff costs during the period were:		
Wages and salaries	26,785	24,235
Social security costs	2,181	1,782
Pension costs	658	500
	<u>29,624</u>	<u>26,517</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the period expressed as full time equivalents was as follows:

	2023	2021
	No	No
Care services	831	663
Management and Administration	136	176
	<u>967</u>	<u>839</u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

12 Taxation

All of the parent company's income is applied for charitable purposes and therefore the company is exempt from corporation tax, however the trading subsidiaries are subject to corporation tax.

No tax has been accrued for the profits of the trading subsidiaries as the gift aid payment will be made before 31 December 2023, nine months after the year end.

13 Tangible fixed assets

Group

	Land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost				
At 1 January 2022	29,496	6,050	190	35,736
Revaluations	(806)	(125)	-	(931)
Additions	-	606	8	614
Disposals	(865)	(308)	-	(1,173)
At 31 March 2023	<u>27,825</u>	<u>6,223</u>	<u>198</u>	<u>34,246</u>
Depreciation				
At 1 January 2022	496	2,850	89	3,435
Revaluations	(850)	(91)	-	(941)
Charge for the year	468	797	43	1,308
Eliminated on disposals	(7)	(123)	-	(130)
At 31 March 2023	<u>107</u>	<u>3,433</u>	<u>132</u>	<u>3,672</u>
Net book value				
At 31 March 2023	<u>27,718</u>	<u>2,790</u>	<u>66</u>	<u>30,574</u>
At 31 December 2021	<u>29,000</u>	<u>3,200</u>	<u>101</u>	<u>32,301</u>

Included within the net book value of land and buildings above is £10,308,689 (2021 - £6,160,246) in respect of freehold land and buildings and £17,409,000 (2021 - £22,838,980) in respect of leaseholds.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

13 Tangible fixed assets (continued)

Charitable company

	Land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost				
At 1 January 2022	29,496	5,925	190	35,611
Revaluations	(806)	-	-	(806)
Additions	-	606	8	614
Disposals	(865)	(308)	-	(1,173)
At 31 March 2023	<u>27,825</u>	<u>6,223</u>	<u>198</u>	<u>34,246</u>
Depreciation				
At 1 January 2022	496	2,759	89	3,344
Revaluations	(850)	-	-	(850)
Charge for the year	468	797	43	1,308
Eliminated on disposals	(7)	(123)	-	(130)
At 31 March 2023	<u>107</u>	<u>3,433</u>	<u>132</u>	<u>3,672</u>
Net book value				
At 31 March 2023	<u>27,718</u>	<u>2,790</u>	<u>66</u>	<u>30,574</u>
At 31 December 2021	<u>29,000</u>	<u>3,166</u>	<u>101</u>	<u>32,267</u>

Included within the net book value of land and buildings above is £10,308,889 (2021 - £6,160,246) in respect of freehold land and buildings and £17,409,000 (2021 - £22,838,980) in respect of leaseholds.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

14 Fixed asset investments

Charitable company

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000
Cost	
At 1 January 2022	-
At 31 March 2023	-
Provision for impairment	
At 1 January 2022	-
At 31 March 2023	-
Net book value	
At 31 March 2023	-

Details of undertakings

Details of the investments in which the charitable company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2021	
Subsidiary undertakings					
Cornwall Care Services Limited	England and Wales	Ordinary	100%	100%	Care services
Cornwall Care Property Limited	England and Wales	Ordinary	100%	100%	Property developer

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

14 Fixed asset investments (continued)

Subsidiaries

The profit for the financial period of Cornwall Care Services Limited was £1,537,000 (2021 - £1,263,000) and the aggregate amount of capital and reserves at the end of the period was £3,779,000 (2021 - £2,204,000).

The loss for the financial period of Cornwall Care Property Limited was £896,000 (2021 - £(19,000)) and the aggregate amount of capital and reserves at the end of the period was £(829,000) (2021 - £67,000).

The shares in Cornwall Care Property Limited are held by Cornwall Services Limited, a wholly owned subsidiary of Cornwall Care Limited.

15 Stock

	2023	Group	2023	Charity
	£ 000	2021	£ 000	2021
		£ 000		£ 000
Development properties	1,800	2,675	-	-
Consumables	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>1,801</u>	<u>2,675</u>	<u>1</u>	<u>-</u>

16 Debtors

	2023	Group	2023	Charity
	£ 000	2021	£ 000	2021
		£ 000		£ 000
Trade debtors	2,029	2,772	2,029	2,772
Prepayments	97	153	97	142
Accrued income	<u>594</u>	<u>331</u>	<u>594</u>	<u>331</u>
	<u>2,720</u>	<u>3,256</u>	<u>2,720</u>	<u>3,245</u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

17 Cash and cash equivalents

	2023 £ 000	Group 2021 £ 000	2023 £ 000	Charity 2021 £ 000
Cash on hand	11	10	11	10
Cash at bank	725	2,271	650	2,256
	<u>736</u>	<u>2,281</u>	<u>661</u>	<u>2,266</u>

18 Creditors: amounts falling due within one year

	2023 £ 000	Group 2021 £ 000	2023 £ 000	Charity 2021 £ 000
Bank loans	-	700	-	700
Trade creditors	1,084	1,248	1,084	1,248
Other loans	480	434	480	434
Due to group undertakings	-	-	1,397	2,460
Other taxation and social security	261	1,321	4	-
Other creditors	1,268	1,447	1,206	235
Accruals	4,117	1,697	4,117	1,197
	<u>7,210</u>	<u>6,847</u>	<u>8,288</u>	<u>6,274</u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

19 Creditors: amounts falling due after one year

	2023 £ 000	Group 2021 £ 000	2023 £ 000	Charity 2021 £ 000
Bank loans	-	11,228	-	11,228
Other loans	13,210	2,409	13,210	2,409
	<u>13,210</u>	<u>13,637</u>	<u>13,210</u>	<u>13,637</u>

Group

Included in the creditors are the following amounts due after more than five years:

	2023 £ 000	2021 £ 000
After more than five years by instalments	<u>-</u>	<u>8,679</u>

Charitable company

Included in the creditors are the following amounts due after more than five years:

	2023 £ 000	2021 £ 000
After more than five years by instalments	<u>-</u>	<u>8,679</u>

Bank and other loans

The company had two bank loans in operation at the prior year end, during the period both balances were repaid.

Other loan balances for 2023 include an intra-group loan agreement entered in the year. The balance outstanding at the year end was £11.3m (2021: £nil). The intra group loan is held with Sanctuary Affordable Housing Limited and is secured against fixed and floating charges over the assets of the company. During 2019, the company took a loan with Cornwall Council which relates to the settlement of the LGPS deferred benefit pension scheme taken up in September 2018 for £4.2m with an interest rate at 1.75% repayable over 115 months. The balance outstanding as at 2023 was £1.8m (2021: £2.4m).

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

20 Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £493,729 (2021: £438,630).

The year end creditor in respect of pension contributions was £64,736 (2021: £150,450).

21 Funds

Group

	Balance at 1 January 2022 £ 000	Incoming resources £ 000	Transfers £ 000	Balance at 31 March 2023 £ 000
Unrestricted funds				
<i>General</i>				
General fund	1,342	(4,316)	(11)	(2,985)
Pension post settlement fund	(2,796)	503	-	(2,293)
Revaluation Reserve	21,213	(806)	-	20,407
	<u>19,759</u>	<u>(4,619)</u>	<u>(11)</u>	<u>15,129</u>
<i>Designated</i>				
Homes' amenities account	55	-	-	55
	<u>19,814</u>	<u>(4,619)</u>	<u>(11)</u>	<u>15,184</u>
Restricted funds				
Huddy legacy	216	-	11	227
	<u>20,030</u>	<u>(4,619)</u>	<u>-</u>	<u>15,411</u>

The Homes' amenities accounts are to provide minor comforts and benefits for residents in consultation with the residents and staff.

The Huddy legacy is for the benefit of residents at Trevarna Care Home.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

21 Funds (continued)

	Balance at 1 January 2021 £ 000	Incoming resources £ 000	Balance at 31 December 2021 £ 000
Unrestricted funds			
<i>General</i>			
General fund	(1,098)	2,440	1,342
Pension post settlement fund	(3,230)	434	(2,796)
Revaluation Reserve	20,537	676	21,213
	<u>16,209</u>	<u>3,550</u>	<u>19,759</u>
<i>Designated</i>			
Homes' amenities account	55	-	55
	<u>16,264</u>	<u>3,550</u>	<u>19,814</u>
Total unrestricted funds			
Restricted funds			
Huddy legacy	216	-	216
	<u>216</u>	<u>-</u>	<u>216</u>
Total funds	<u><u>16,480</u></u>	<u><u>3,550</u></u>	<u><u>20,030</u></u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

21 Funds (continued)

Charity

	Balance at 1 January 2022 £ 000	Incoming resources £ 000	Transfers £ 000	Balance at 31 March 2023 £ 000
Unrestricted funds				
<i>General</i>				
General fund	(821)	(5,106)	(11)	(5,938)
<i>Designated</i>				
Homes' amenities account	55	-	-	55
<i>Other</i>				
Pension post settlement	(2,796)	503	-	(2,293)
Revaluation reserve	21,213	(806)	-	20,407
	<u>18,417</u>	<u>(303)</u>	<u>-</u>	<u>18,114</u>
Total unrestricted funds	17,651	(5,409)	(11)	12,231
Restricted funds				
Huddy legacy	<u>216</u>	<u>-</u>	<u>11</u>	<u>227</u>
Total funds	<u><u>17,867</u></u>	<u><u>(5,409)</u></u>	<u><u>-</u></u>	<u><u>12,458</u></u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

21 Funds (continued)

	Balance at 1 January 2021 £ 000	Incoming resources £ 000	Balance at 31 December 2021 £ 000
Unrestricted funds			
<i>General</i>			
General fund	(3,475)	2,654	(821)
<i>Designated</i>			
Homes' amenities account	55	-	55
<i>Other</i>			
Pension post settlement	(3,230)	434	(2,796)
Revaluation reserve	20,537	676	21,213
	<u>17,307</u>	<u>1,110</u>	<u>18,417</u>
Total unrestricted funds	13,887	3,764	17,651
Restricted funds			
Huddy legacy	<u>216</u>	<u>-</u>	<u>216</u>
Total funds	<u>14,103</u>	<u>3,764</u>	<u>17,867</u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

22 Analysis of net assets between funds

Group

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2023 £ 000
Tangible fixed assets	10,183	-	20,407	-	-	30,590
Current assets	4,975	55	-	-	227	5,257
Current liabilities	(7,210)	-	-	-	-	(7,210)
Creditors over 1 year	<u>(10,917)</u>	<u>-</u>	<u>-</u>	<u>(2,293)</u>	<u>-</u>	<u>(13,210)</u>
Total net assets	<u>(2,969)</u>	<u>55</u>	<u>20,407</u>	<u>(2,293)</u>	<u>227</u>	<u>15,427</u>

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2021 £ 000
Tangible fixed assets	11,087	-	21,213	-	-	32,300
Current assets	7,941	55	-	-	216	8,212
Current liabilities	(6,845)	-	-	-	-	(6,845)
Creditors over 1 year	<u>(10,841)</u>	<u>-</u>	<u>-</u>	<u>(2,796)</u>	<u>-</u>	<u>(13,637)</u>
Total net assets	<u>1,342</u>	<u>55</u>	<u>21,213</u>	<u>(2,796)</u>	<u>216</u>	<u>20,030</u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

22 Analysis of net assets between funds (continued)

Charity

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2023 £ 000
Tangible fixed assets	10,167	-	20,407	-	-	30,574
Current assets	3,100	55	-	-	227	3,382
Current liabilities	(8,288)	-	-	-	-	(8,288)
Creditors over 1 year	<u>(10,917)</u>	<u>-</u>	<u>-</u>	<u>(2,293)</u>	<u>-</u>	<u>(13,210)</u>
Total net assets	<u>(5,938)</u>	<u>55</u>	<u>20,407</u>	<u>(2,293)</u>	<u>227</u>	<u>12,458</u>

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2021 £ 000
Tangible fixed assets	11,053	-	21,213	-	-	32,266
Current assets	5,240	55	-	-	216	5,511
Current liabilities	(6,274)	-	-	-	-	(6,274)
Creditors over 1 year	<u>(10,841)</u>	<u>-</u>	<u>-</u>	<u>(2,796)</u>	<u>-</u>	<u>(13,637)</u>
Total net assets	<u>(822)</u>	<u>55</u>	<u>21,213</u>	<u>(2,796)</u>	<u>216</u>	<u>17,866</u>

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

23 Analysis of net funds

Group

	At 1 January 2022 £ 000	At 31 March 2023 £ 000
Cash at bank and in hand	2,281	2,281
Net debt	<u>2,281</u>	<u>2,281</u>
	At 1 January 2021 £ 000	At 31 December 2021 £ 000
Cash at bank and in hand	985	985
Net debt	<u>985</u>	<u>985</u>

Charity

	At 1 January 2022 £ 000	At 31 March 2023 £ 000
Cash at bank and in hand	2,266	2,266
Net debt	<u>2,266</u>	<u>2,266</u>
	At 1 January 2021 £ 000	At 31 December 2021 £ 000
Cash at bank and in hand	883	883
Net debt	<u>883</u>	<u>883</u>

24 Related party transactions

Group

There were no related party transactions in the period.

The company has taken advantage of the exemption under the terms of FRS102 from disclosing related party transactions with entities that are part of the Cornwall Care Limited group.

Cornwall Care Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

25 Custodian trustee

The company is custodian trustee of residents' savings bank accounts. The money held in these bank accounts at 31 March 2023 was £41k (2021: £46k). These accounts are in the residents own names, are separate from the company's own bank account and are not included in these financial statements.

CORNWALL CARE LIMITED

England & Wales - Charity number 1053486

Accounts

Cornwall Care Limited

**Annual Report and Consolidated Financial Statements
Year Ended 31 December 2021**

Company registration number: 03079623

Charity registration number: 1053486

Cornwall Care Limited

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Cornwall Care Limited

Reference and Administrative Details

Directors	Ms H Bennett Mr J Day Mr D Law Mrs S Taylor Mr P Stewart Ms T Sorensen OBE Mr I Harris
Principal Office	Cornwall Care Health & Wellbeing Innovation Centre Treliske Truro Cornwall TR1 3FF The charity is incorporated in England and Wales.
Company Registration Number	03079623
Charity Registration Number	1053486
Solicitors	Foot Antsey LLP High Water House Malpas Road Truro TR1 1QH
Bankers	Lloyds Bank Plc PO Box 128 8 Royal Parade Plymouth PL1 1LX Triodos Bank NV Deanery Road Bristol BS1 5AS
Auditor	PKF Francis Clark Statutory Auditor Lowin House Tregolls Road Truro TR1 2NA

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

The Directors present their annual report, incorporating the Trustees' report and strategic report, for the year ended 31 December 2021 under the Companies Act 2006 together with the audited consolidated financial statements for the year and confirm that the latter complies with the requirements of the Act, the Articles of Association and the Charities SORP FRS 102.

Directors

Mr C Nicholls (resigned 1 December 2021)

Ms H Bennett

Mr J Day

Mr D Law (appointed 1 January 2021)

Mrs S Taylor (appointed 1 January 2021)

Mr P Stewart (appointed 1 October 2021)

Ms T Sorensen OBE (appointed 1 October 2021)

Mr I Harris (appointed 13 January 2022)

Objectives and activities

Objects and aims

The group's objects, as set out in the group's Articles of Association, are:

- (a) To promote the relief of and provide relief, support and assistance to individuals who by reason of old age, or physical or mental handicap, require special care and attention;
- (b) To promote and provide relief to children and young people who require special care and attention; and
- (c) To promote, in particular the relief of, and provide support and assistance to, beneficiaries who are resident in or associated with the County of Cornwall, the County of Devon and the Isles of Scilly. 'Beneficiaries' means the people referred to in the points above.

Public benefit

The group's charitable objectives are set out above. Throughout the year the Directors have sought to benefit the public by:

- providing care to those funded by means tested assistance from the Local Authority and Kernow Clinical Commissioning Group;
- to continue to work closely with the Local Authorities and the Kernow Clinical Commissioning Group on implementing change in the way that care for older people, those with dementia and those with learning difficulties is provided.

As such the Directors confirm that they comply with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers and duties and consider it in all aspects of the group's activities as reflected throughout the Directors' Report.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Objectives for the Year

The key objectives for the year were:

- **Providing safe, effective and high quality personal care to our clients:**

- o To provide quality care, through quality services that demonstrate that each individual member of staff practices with accountability.
- o Risk is managed through knowledgeable decision making and the health and safety process used with our clients and staff liberates aspiration rather than denying ambition.

- **To provide a working environment where all people working for Cornwall Care feel valued and have opportunities for education, training and personal development:**

- o To achieve flexibility and adaptability we will build on our Education, Training and Practice development bedrock by nurturing the talent within our staff;
- o To grow a confident, competent workforce who can transfer skills to meet our clients' needs;
- o To recognise and promote a culture of achievement through work with service teams and implementation of staff survey; and
- o Recruit, train and retain staff who are skilled to deliver care to meet clients' needs and the organisations goals and objectives.

- **To raise Cornwall Care's profile on a sustained basis, being recognised as a quality operation leading the market in care:**

- o To understand what motivates our clients so that we can build relationships with them;
- o To emphasise the reinforcement of the brand through language, behaviour and communication promoting enquiries, dialogue and ultimately business;
- o To focus on the individual (our clients and their relatives and our colleagues). By investing in people and establishing and supporting their potential, they achieve fulfilment, gain satisfaction and continue to stay with Cornwall Care;
- o To continue to demonstrate to our staff how valued they are; and
- o To continue to be the most expert and caring provider of services for older people and other client groups, defined by our own standards as well as those of our clients and our commissioners.

- **To improve our estate to establish a sustainable future:**

- o To enhance the group's internal and external environments to enable these spaces to be an integral part of the quality of care and services we deliver;
- o To develop our existing estate in line with the care needs of the people we look after and the staff who support them; and
- o To achieve good property management through understanding the fabric of our existing stock and adopting a systematic approach to its maintenance and improvement.
- o To continue our focus on the health and safety.

- **To deliver financial stability and stimulate growth in order to reinvest in the group:**

- o To focus on the completion of the financial recovery and turnaround plan.
- o Develop high quality performance reporting in order to manage the business;
- o To achieve financial stability and good financial performance by ensuring income targets are met and costs are constrained and/or reduced to match our scale and complexity of operation.
- o To ensure that we maintain and improve cash flows and liquidity in order to continue to operate and meet our obligations.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Strategies to achieve the objectives

The Board's focus to achieve the objectives has been the implementation of the following strategies:

- **Providing safe, effective and high quality personal care to our clients:**

The main aim has been to meet the increasing needs of our clients and commissioners. We continue to shape our services to provide higher levels of care. Nine of our sixteen care homes are registered as care homes with nursing. A number of our facilities are also providing supported living services to adults with mental health issues which itself facilitated growth in our community services. The main regulator is the Care Quality Commission who inspect services on a routine basis. In addition, Cornwall Care has a robust internal system of audit and shared learning to ensure that all services are performing. The quality of services is also evaluated by using feedback from staff and clients and their relatives. This information is reviewed by the Board and is used in planning services.

- **To provide a working environment where all people working for Cornwall Care feel valued and have opportunities for education, training and personal development:**

As the largest private sector employer in Cornwall, we continue to invest significantly in recruiting, training and retaining our staff at all levels to ensure that we deliver a high quality of service to our clients. A great deal of focus has been on recruiting carer and nursing staff and reducing staff turnover and sickness. We continue to invest in our Education, Training and Practice Development team who operate as an Accredited Education Assessment Centre.

- **To raise Cornwall Care's profile on a sustained basis, being recognised as a quality operation leading the market in care:**

A key part of our service is communicating with clients, relatives and staff. This year has seen us use a range of media and promotional activity focussed on developing and maintaining inter-professional relationships with colleagues in commissioning agencies. Client service and engagement is developing through training for our staff from initial enquiry to delivery of service. Staff engagement is increasing through website developments, email newsletters and social media.

- **To remodel our care provision to establish a sustainable future:**

During the year we have been considering options on sites we occupy to understand how best these may be remodelled to provide the most effective care settings. We have also reviewed our operating model to enable us to deliver care that meets the increasingly complex nature of care across Cornwall.

- **To deliver financial stability and stimulate growth in order to reinvest in the company:**

Despite the issues surrounding going concern noted in the prior year's Director's report, Cornwall Care has achieved positive and sustainable cash generation and EBITDA (Earnings before interest, taxation, depreciation and amortisation), the financial review is set out in detail from page 7. We continue to implement the objectives of the turnaround plan through 2022 and expect to continue on that trajectory for the next year and beyond.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Longer Term Objectives

Our objectives above were set for the year but, taken as a whole, they also represent the company's longer term objectives in respect of high quality service provision, staff development and the continuing delivery of care in ways most appropriate to the needs of the residents of Cornwall.

The success of these objectives is measured by such outcomes such as client satisfaction, staff satisfaction and retention. These outcomes may manifest themselves in different ways such as high occupancy levels or sound financial performance, which can be assessed objectively, or in other ways less susceptible to measurement but which nonetheless allow the group to continue to grow and to provide high quality services to clients.

Principal Activities

The principal activity of the group continues to be the provision of care for adults and older people throughout Cornwall. Our clients receive quality care services that are provided in the following ways:

- **Care Homes:** Our care homes provide care for older frail people and those with dementia, either on a permanent basis or for rehabilitation and respite visits. Nursing services were in operation in nine of these homes for the full year.
- **Extra Care / Supported Living:** A number of our properties contain independent living units which provide accommodation enabling adults with mental health issues to live semi-independent lives within the community.
- **Home Care:** Our domiciliary and community care services deliver care and related services to clients in their own homes.

Achievements and performance

A review of Cornwall Care's strategy and annual plan for 2021 confirmed positive progress in a number of areas in meeting planned targets. These include:

- **Financial targets:** The financial review is set out on page 7.
- **Service development:** We have responded to an increase in demand for specialist nursing care, working specifically with the NHS to deliver both rehabilitation and complex care services across Cornwall to residents with high levels of acuity. This has enabled the group to absorb some of the sector pressures that have impacted on occupancy and total fee income.
- **Quality:** The year saw continued investment in care quality, leadership and governance processes in order to improve and manage the quality of care throughout the organisation.
- **Staff:** The group continued to invest significantly in staff education and practice development. This ranges from statutory training, in-house accredited courses to leadership training and coaching. This has resulted in continuing high levels of client satisfaction. Our Assistant Practitioner model, which will see graduates from our Care Academy begin work in service in 2022, is designed to develop levels of skill and capability to help meet the challenges from the ongoing staffing crisis.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

The group operates in a specialised and highly regulated sector where there are significant pressures on costs. We have seen some recognition from statutory bodies that funding levels for clients with higher care requirements need to rise but have also found it challenging to recruit sufficient carer and nursing staff for our homes. The shortage of nurses is a well-known national and regional challenge. This has led to greater use of agency staff than we would like which also has the effect of increasing costs. We have, and continue to, actively review our pay and terms and conditions for carers and nurses, benchmarking these with local providers. The ongoing staffing crisis in the sector shows no sign of abating and has required us to take a measured view of the breadth and scale of our operations to address some of those issues. The details of those changes are outlined within this commentary.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Financial review

The financial performance of the group are reported in detail from page 31 in the notes to the accounts. A summary of the financial performance is provided below:

	2021	2020	
	£'000	£'000	Notes
Income	40,383	39,375	
Staff Costs	31,285	30,186	
Resident Costs	1,308	1,245	
Premises Costs	3,610	3,708	
Administration Costs	2,370	1,208	
EBITDA	1,810	3,028	
Exceptional Items	2,675	294	1
Interest (including pension related)	419	390	
Depreciation	1,193	991	
Surplus before revaluation	2,873	1,353	
Net assets	20,030	16,480	
Cash and cash equivalents	2,281	985	

Notes:

1 This exceptional item is the reversal of the impairment of costs to the value of £2.6m previously written off in respect of the plans to develop a care village on the Wadebridge land held in Cornwall Care Property Limited. Having taken advice previously, the directors believed that any disposal strategy would result in a break even position from the development of a care village at the Wadebridge land and accordingly an impairment was made. This development strategy was not implemented and during the year the directors undertook a valuation of the land at Wadebridge owned by Cornwall Care Property Limited and as a result determined that the impairment of costs undertaken in 2017/18, amounting to £2.7m, should be reversed in the current year and this has been reflected in the 2021 financial statements.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Principal funding sources

As noted above the group's principal activities centre on the provision of care for adults and older people either in residential and nursing homes, independent living units or the clients' own homes. The principal funding sources are clients' own contributions and amounts received from statutory bodies such as Local Authorities and the NHS.

The group continued to deal with a number of operational and financial challenges throughout the year. There continues to be a focus on resolving the issues highlighted in the prior year's accounts in relation to going concern, the progress against which is outlined in more depth below. In summary, significant positive progress has been made in driving changes to both our operating model and cost base. This work has increased working capital and is driving resilience from the delivery of care services to a taut financial model for 2022 and beyond. Our ability to continue to deliver to our vision is underpinned by the transformation plan which the Board approved in December 2021. The Board are also continuing conversations with strategic partners on the direction of travel for the company to enable us to meet the challenges for health and social care in Cornwall.

The sector wide issues of the ongoing staffing crisis and COVID infections continued to place downward pressure on occupancy through 2021. Whilst the country experienced the gradual relaxing of restrictions, our homes continued to experience increased infection rates for both residents and staff. The peak infection rates, with Cornwall experiencing some of the highest infection rates in the country, introduced significant challenges for our residents, their families and our staff. This has come at a time when there is an urgent need for increased care capacity in the county with both the number of people needing care and the complexity of that care provision increasing. Recruiting and retaining people in the sector is paramount in being able to develop the skills and capabilities to deliver the care needs of residents both now and in the long term.

Despite the challenges noted here, the group continues to deliver to its charitable objectives through the tireless work with stakeholders to ensure people receive the care they need in our care homes and in the community.

Our staff have continued their amazing work with and for our residents under incredibly difficult circumstances. The Board wish to express its gratitude and heartfelt thanks for all of the hard work and commitment from our carers and support service colleagues who continue to achieve the extraordinary every single day.

In the year ended 31 December 2021, Cornwall Care Limited (CCL) have delivered an increase in net funds for the year before other recognised gains and losses of £2.9m (2020: £1.3m) and a total net increase in funds of £3.5m (2020: £1.3m). The net asset position at the year-end also increased to £20.0m (2020: £16.5m).

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Cornwall Care Limited's income totalled £40.4m (2020: £39.4m). The main source of income continued to be fees for residential and nursing care which made up £34.3m (2020: £35.1m) of income while domiciliary and community based services contributed £3.6m (2020: £2.3m).

During 2021 Cornwall Care Limited received £2.3m (2020: £1.6m) relating to COVID related grants and support.

Cornwall Care Limited's expenditure totalled £40.2m (2020: £37.7m) for the year which represents a 7% increase on 2020. As a labour-intensive service business, the staff costs (including agency costs) and staff-related costs continue to be the main area of expenditure. Other key costs include premises and equipment costs, residents' costs and administration.

Earnings Before Interest, Tax & Depreciation (EBITDA), the generally accepted measure for business performance and a proxy for the cash generated from our operating activities was £2.0m for the year (2020: £3.0m).

Cash held in the business increased by £1.3 million in the year to £2.3 million at the year end.

Going concern incorporating post balance sheet events

The prior year's report highlighted the directors' concern about a material uncertainty with regards to going concern. The directors are pleased to report that the group has delivered a significant amount of change in the last nine months and that work continues at pace in addressing the concerns raised. We are now implementing the objectives of our turnaround plan which has resulted in a number of changes to the group's operating model and financial structure and the benefits of that have already delivered some initial success in the final quarter of 2021 and that has continued through 2022. It should be noted that the various sector specific challenges continue to place pressure on the group with the consequent impact to occupancy and the mix of fee income with the continuing high level of agency costs.

The directors are also in the final stages of merger conversations with a large national provider. The expectation is that the merger will be completed by the end of September 2022 which would see the Cornwall Care group become part of a much larger group and enable it to continue to deliver to our charitable objectives for the people of Cornwall and invest in our estate and our people. Based on the actions taken to date (noted below), and as a result of the merger process plans noted here, the Board are confident that the group is able to continue as a going concern.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Actions

In October 2021, Cornwall Care Limited signed a contract with the NHS to provide rehabilitation and care services for residents with high levels of acuity including dementia. This contract has recently been extended to September 2022.

This contract, in the last two months of 2021, had a positive impact on our fee income which has helped absorb some of the pressures the group has experienced from declining occupancy levels. Budgeted occupancy for December 2021 was for 91% of registered beds to be occupied, we delivered only 82%. This was the result of staff vacancies and turnover, sickness and the direct impact of homes implementing infection control measures as required by Public Health England. This was a result of consistently high rates of COVID infections amongst both staff and residents.

Whilst the UK continues to relax restrictions, the requirement to implement these measures, whilst vitally important in protecting residents and staff, does impact on our ability to increase the number of people we can admit in to our homes. This has severely restricted our ability to take both private and commissioned residents and very few homes have achieved their budgeted occupancy. With the staffing crisis continuing in the sector we have incurred increased costs of agency staff. This had the effect of reducing our underlying margins excluding the short term NHS contract.

One of the tenets of our transformation plan was the need to reshape our operating model and review the size and shape of our care estate. This was to address areas of increased costs and also to deal with the reducing occupancy levels which continued to place significant downward pressure on our finances and working capital for the last six months of 2021.

The Board approved a savings plan in December 2021 which requires an overall reduction in costs, for both care and non-care services, of £5m.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

In delivering to the turnaround plan, the group took a number of actions in late 2021 which continue through 2022 and are unaffected by the merger process. The following major items are important to note:

- o The closure and sale of the group's support office in November 2021. The move to hybrid working left the Truro office building largely empty and surplus to requirements. The group accepted an offer on the building and that sale, and realisation of the cash value of £1m, will be finalised in September 2022.

- o The group made the difficult decision in January 2022 to mothball three of its care homes and consolidate its operating estate whilst focusing on the transformation of its operating model. The turnaround plan identified homes that weren't performing financially as a direct result of staff shortages and increasing levels of agency spend which, combined with reducing occupancy, had placed significant downward pressure on each home. The successful delivery of this project is set to deliver a full year impact of £2.3m to the profit and loss and working capital position from reduced building, overhead and agency costs. All front line staff were retained through the consultation process and residents were transferred to their closest homes.

- o In setting out the actions to increase working capital, the group has reduced trade debtors and has collected over £1 million of legacy debt. Having also delayed payment of £1.5m of PAYE, the company entered into negotiations with HMRC for a time to pay arrangement. The repayments are already being made and the debt will be fully repaid in September 2022.

- o A review of procurement will result in a £1.6m reduction in non-payroll operating costs.

- o The group hadn't completed a care needs assessment since before the pandemic which had been delayed as a result. In September 2021, that review resulted in fee increases of £800k on a full year basis and that uplift has been built into the 2022 budget.

The financial projections through to the end of December 2023 confirm the group's ability to continue as a going concern even without the planned merger. It's important to note that there will be no changes to our plans post the merger and we will continue to deliver to pre-agreed corporate budgets and the objectives of our turnaround plan.

Whilst the forecasted profit and loss is showing a reduction in total income for 2023, that's the full year impact from the mothballing of three homes in early 2022. The continuing cost recovery programme will see indirect and support service costs continue to reduce through the next eighteen months. The group would expect some flexibility in these assumptions as we deal with an increase in the complexity of care that residents require and absorb the impact of the increased costs of both care and non-care goods and services.

The group will continue to review its strategic options through the merger process to enable it to meet the long term care needs of the residents of Cornwall. In approving the turnaround plan, the board have also prepared alternative scenarios in mitigating the risk from the cost recovery programme not being delivered in full. In context the merger, which is expected to conclude in September 2022, means these alternative plans are scenarios and aren't expected to be implemented. The group isn't being complacent and will continue to review its estate and operating model and look at generating value from unencumbered assets and consolidating further our operations if that is indeed required. There is now a clear focus and energy around completing the merger process.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Our charitable activities will continue to drive profits and positive cash flow as a result of the actions we've taken. Our projections are conservative; the corporate budget for 2022 sets occupancy levels at 82% which are felt to be achievable based on the lack of capacity in the care sector as a whole which the group is well placed to fulfil.

Against the forecast of £2.8m the group achieved an EBITDA of £1.8m in the year (2020: £3.0m) driven by our noted financial pressures in advance of the group implementing the turnaround plan. The early turnaround actions delivered a much more robust cash position by year end. Cash balances at the balance sheet date were £2.3m (2020: £0.9m).

The company meets monthly with our capital funding provider, Triodos, to review our performance and future plans and covenant compliance. The bank remain very supportive of the business and the company has met all of its covenants and that position is expected to continue through 2022.

As a direct result of the actions taken within the turnaround plan, the Board have approved a financial plan that is expected to produce an EBITDA of £3.6m, a circa 10.0% return on planned income. Ensuring a robust and sustainable financial position is fundamental for the financial recovery of CCL and will ensure that we can implement planned investments in our infrastructure, operating model and our staff.

The Board is confident there is no longer a material uncertainty as to the group's ability to continue as a going concern. This assessment is based on the work and initial successes in delivering to the turnaround plan, and stabilisation of the group's financial position, combined with the positive trading results in the first quarter of 2022 and forward financial and operational plan.

For the 2022 financial year, the delivery to our turnaround plan is projected to deliver the following financial outcomes:

- o EBITDA of £3.6m (2021: £2.0m)
- o An increase in working capital to £3.0m (2021: £2.3m)
- o Reduced agency costs of £3.1m (2021: £4.1m)

The group is expected to be well within all of its agreed banking covenants with Triodos in the coming year and beyond.

Recent Trading

The group has delivered strong results in the first half of the 2022 financial year compared to the corporate budget and prior year position to June 2021.

In respect of local authority and NHS commissioners, Cornwall Care is the largest adult social care provider in the county and as such we are maintaining and improving our high profile role with significant engagement on a daily basis, for the benefit of our staff and the people we look after. We care for 647 people in bed based settings and over 6,500 hours of care per month in our community settings.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Cornwall Care's self-funding clients represent circa 35% of our care homes turnover. We do not differentiate between commissioned and non-commissioned clients in respect of our fees; all of our clients pay the same fees for their assessed level of need regardless of commissioning status. As our service portfolio extends and diversifies our expectation is that income from self-funders will increase and also commissioned clients will access additional fee based services. The Board are also mindful of the Government's pending social care reform programme which will take full effect in September 2023. In summary our approach to setting resident fees doesn't introduce any additional risk to our long term plans at this juncture. The Board will of course review and adjust our strategies and plans as the impact to the sector of the reforms become more tangible.

Cornwall Care provides care to vulnerable people with higher than average needs and in a number of specialist care settings. Smaller care providers typically do not support clients with these needs and so this places Cornwall Care in a unique position within county. All evidence based demographic and population health needs assessments forecast that numbers of vulnerable people in county and nationally with these needs will increase over the next 5 years with an associated escalation of complexity of care requirements. This demonstrates an expanding client base and Cornwall Care is now working to respond to this increase by developing new services, in line with our agreed strategic direction.

There is expected to be a 12 month positive cash flow position from the date of signing this report and the forecasting assumptions around income have been made conservatively and our projections include the controlled expenditure limits agreed with the Board in November 2021. Our cash flow continues on a resilient trajectory as noted in the Financial Statements.

We recognise that availability of workforce is a risk to all social care providers, including Cornwall Care. We have taken a series of actions to mitigate this risk. This includes a workforce recruitment & retention programme during 2021 and the early months of 2022 which has seen significant improvement in recruitment and retention of HCA1/2 and HCA3 staff. During 2020 we developed a partnership with Cornwall College Group. This partnership has seen the successful launch of academic and operational service delivery based accredited and non-accredited courses for new and existing care professionals. We are also exploring new models of working in collaboration with commissioners, regulators and Universities.

Loans

The group had one bank loan in operation at the year-end of £11.2m (2021: £11.9m) from Triodos Bank. The group has a loan with Cornwall Council of £2.4m (2021: £2.8m) in respect of the pension scheme which is repayable in monthly instalments until 01/03/2028.

Investment powers, policy and performance

The Trustees Investment Policy is governed by the Trustee Investment Act 2000. Under the Articles of Association, the group has the power to make any investment that the Directors see fit.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Reserves policy

As at 31 December 2021, the group had unrestricted income funds of £19.8m (2020: £16.3m) of which £nil (2020: £nil) was freely available. The balance was invested in fixed assets or was designated for other purposes as detailed in note 20 to the Financial Statements.

The group aims to maintain sufficient reserves to cover possible future deficits that may occur due to fluctuations in business activity and to take opportunities as they arise. The reserves policy is reviewed annually as part of the business plan, and to ensure the charity meets the required level of reserves.

The directors consider that the present level of reserves is sufficient to meet these requirements.

Principal risks and uncertainties

Risk management

The Directors have reviewed and reassessed the major risks to which the group is exposed, in particular those related to the operations and finances of the group, and are satisfied that systems are in place to mitigate exposure to major risks.

The Board of Directors and Audit and Risk Committee ensure that the major risks to which the group is exposed have been identified and systems put in place to mitigate these risks on an annual basis.

The year has seen the continued management of existing risks balanced with our response to new risks and the challenges they present. A balance has been struck between specific operational risks and more strategic issues. These include risks associated with personalisation, commissioning and the impact of reductions in public sector budgets.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The group does monitor and take action in each of these areas to mitigate the potential adverse effects that such a risk may pose as follows:

Credit risk

The group has an established procedure to ensure that the credit risk is minimised. The care commissioning frameworks in which the group operates mean that there is relatively low credit risk. The main risk that the group carries is through unpaid invoices in the normal course of trading.

Liquidity risk

The group monitors its working capital requirements and cash flows to ensure that the group has sufficient available funds for operations.

Health and safety

The Board receives an annual health and safety report from the management team. The report covers all health and safety issues including legislation, health and safety meetings, policies and procedures, accident reports and compliance training needs.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Plans for future periods

The existing business plan has six principal objectives for 2022 and beyond:

- To provide safe, quality care and to meaningfully engage with clients and stakeholders;
- To recruit, retain and reward staff and to provide a working environment where all people have opportunities for professional and personal development;
- To deliver financial stability in a dynamic and challenging environment and stimulate growth in order to reinvest in the group;
- To remodel the current property portfolio and deliver new facilities in order to establish a sustainable legacy for the future;
- To position Cornwall Care as the provider of choice and to stimulate confidence in and demand for our services;
- Embed the charitable aims of the organisation in the activity of the organisation and each home/service.

Employees

Cornwall Care is committed to equal opportunities in employment.

The group recognises its responsibilities in relation to people with disabilities. The group gives full consideration to applicants for employment from disabled people, who adequately fulfil the requirements of the job. Should existing employees become disabled it is the group's policy, if practicable, to provide continuing employment under the group's terms and conditions and to provide appropriate training.

Structure, governance and management

Nature of governing document

Cornwall Care Limited is a registered charity and company limited by guarantee. It is governed by its Articles of Association and the Board of Directors who are also its Trustees.

Organisational structure

A wholly-owned subsidiary company, Cornwall Care Services Limited, is responsible for the day-to-day management of the organisation and for the provision of the care services. Cornwall Care Services Limited is led by a Board of Directors which reports to the Board of Directors of Cornwall Care Limited.

This governance structure is suited to addressing the challenges and opportunities in the rapidly changing care sector and it ensures that Cornwall Care Limited continues to be a sustainable organisation which can deliver its charitable mission.

The Board of Cornwall Care Limited meets monthly to review the performance in relation to objectives, strategy and business plans as well as being responsible for strategic business decisions. The Board meets annually to review strategy and approve the five year business plan and annual budget.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

The Board meets to decide on strategy and policy but delegates the implementation of these to the executive and senior management teams. To provide for greater agility in day-to-day management, an Operational Committee has been formed with members being those who are Directors of both companies. The Committee will scrutinise the services provided by Cornwall Care Serviced Limited and decide on matters of such significance that the approval of the Board of Directors of Cornwall Care Limited is required before the next meeting.

Recruitment and appointment of Directors

Directors are appointed by the Board in accordance with the Articles of Association and can serve a maximum of six consecutive years.

Directors are appointed by the Board following a search and selection process managed by the Nominations Committee. Directors are provided with regular information updates on their role as Trustees and Directors.

The Board reviews the skills and experience of Directors on an annual basis to ensure that the group has the range of skills and experience required by the Board.

Employee involvement

Regular meetings are held between senior managers and each business unit's management team to review progress and developments both in their business and the group as a whole. Within each business unit the manager holds regular staff meetings to ensure that the group's goals and objectives are fully understood. Views and opinions of members of staff from around the group are collated annually in an anonymous web-based staff survey.

Arrangements for setting key management personnel remuneration

The setting of pay and remuneration of key management personnel is undertaken by the remuneration committee which meets on an annual basis. The committee utilises benchmarking information from within the care sector and the local economy.

Directors and staff

The Trustees wish to acknowledge and thank all staff for the dedication and hard work they have put into making Cornwall Care Limited a recognised and trusted provider of high quality care for adults in Cornwall.

Related parties

The Company has two active subsidiary companies, Cornwall Care Property Limited and Cornwall Care Services Limited set up to carry out property development work of new care homes, and provide care services, respectively.

The company had transactions in the normal course of business in the year which Mr P Rees (a director of Cornwall Care Services Limited up to 31 October 2021) has close family who is a partner of the law firm. These transactions are disclosed in note 24.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Statement on Internal Control

The Board is responsible for ensuring that the group maintains a system of internal financial controls. The objective of the system is to safeguard the Company's assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is timely and reliable. Any such system can only provide reasonable, but not absolute, assurance against material loss or misstatement.

Internal Audit services were provided by Bishop Fleming. In 2021 they undertook 1 audit. Reports are tabled at the bi-monthly Audit and Risk Committee where progress on the resulting actions is monitored.

All the day to day operational decisions are taken initially by the Executive Directors, in accordance with the Company's strategy. The Executive Directors are also responsible for initiating commercial transactions and approving payments, within our financial standing orders, save for those relating to their own employment.

The key internal controls include policies and procedures covering finance, operations, quality and systems, and risk management incorporating specific levels of delegated authority and the segregation of duties; the review of pertinent commercial, financial and other information by the Board on a regular basis; the prior approval of all significant decisions; and maintaining a formal strategy for business activities. An Audit Committee, whose members are Trustees, meets regularly with the objective of providing assurance to the Board regarding the operation of such controls.

Funds held as custodian trustee on behalf of others

Details are set out in note 22 to the financial statements.

Section 172 - Directors' Duties

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, clients and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.'

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

The following paragraphs summarise how the Directors' fulfil their duties:

Performance delivery and risk management

During 2021 the Board reviewed and approved a turnaround plan that required a review of operational and financial benchmarks that the group needs to perform against in delivering to the plan. The progress to these plans is reported to the Board in the normal cycle of formal meetings with a series of weekly meetings to review progress to the plan and to identify risks and mitigating actions. Our overarching objectives include aligning longer term care models with the evidence based anticipated changes in volume and complexity of care required by people in Cornwall. Our performance to this plan, including local and national benchmarks, is important in delivering to our charitable objectives.

During 2021 the Directors have revisited the governance, assurance and risk management approaches used within our group and improved these. This is so that Directors have full visibility and can take a prospective approach to risk identification and management. Board assurance is now provided through a refreshed approach to organisation risk ownership and reporting. We operate a number of Board Committees with Director membership and these have oversight and responsibility for risk management. The Board has agreed a risk taxonomy approach that has been introduced across our organisation. Working through our organisation, Directors have identified and assessed all risks using the taxonomy approach and controls ratings. This enables Director oversight and ownership of risk at all levels in our organisation.

Our People

Cornwall Care is committed to being a responsible employer within our community. Our Directors have reaffirmed their commitment to strategic objectives which include the wellbeing of the staff we employ. Our behaviour is aligned with the expectations of our people, our clients and the local communities that we serve in Cornwall. People are at the heart of the services we provide. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate to the high standards required by our Directors and our Regulator. We must also ensure we share common values that inform and guide our behaviour so we achieve our strategic objectives in ways that gives the best care to our clients and the professional working experience that our staff deserve.

Business Relationships

The strategy that our Directors have agreed prioritises the improvement of services to existing clients and bringing new clients to Cornwall Care in order to best support our local communities because of changes in their demographic and health needs. To do this we need to develop and maintain strong client relationships and strengthen links with local communities. We value our relationships with our commissioner organisations and our Directors seek to work as a strategic partner with all health and care colleagues so we can optimise the use of our shared experience in addressing the health and care challenges for vulnerable people in Cornwall.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report)

Community and Environment

We are the largest independent care provider in Cornwall and our approach is to use this strength and the skills our organisation has to best support the vulnerable people and communities we care for. We want to leverage our expertise and enable colleagues to support the communities around us.

We have made considerable progress in changing the way we work in order that we reduce the impact we have on our environment. This includes improving the use of digital technologies to reduce travelling for our clients and our staff.

Members

As a Board of Directors our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours. In doing so this will contribute to the delivery of the operational plan and the delivery of our strategic objectives agreed by Directors.

Our intention is to behave responsibly towards the staff we employ and treat them fairly and equally, so they will benefit from the successful delivery of our plan.

Cornwall Care Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' report (incorporating Trustees' report and strategic report) and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each member has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Directors of the charity on 18.08.22 and signed on its behalf by:



.....
Mrs S Taylor
Trustee

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Opinion

We have audited the financial statements of Cornwall Care Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, , Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors 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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

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

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 and Directors' report (incorporating Trustees' report and strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Directors' report (incorporating Trustees' report and strategic report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Directors' report (incorporating Trustees' report and strategic report) .

We have nothing to report in respect of the following matters where the Companies Act 2006 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 Directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 20), the Directors 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 Directors 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 Directors are responsible for assessing the charity'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 Directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

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.

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

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the group. We gained an understanding of the industry in which the group operates as part of this assessment to identify the key laws and regulations affecting the group and parent company. As part of this, we reviewed the group's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were the regulations of the Care Quality Commission (CQC), as well as health and safety regulations, tax legislation, employment law and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group and parent company's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of CQC ratings and reports and enquiries of management in relation to any ongoing CQC reviews and communications.
- Review of the group's GDPR register and enquiries of the group's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, accuracy of revenue cut off, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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. This description forms part of our auditor's report.

Cornwall Care Limited

Independent Auditor's Report to the Members of Cornwall Care Limited

Use of our report

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



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro
TR1 2NA

09/09/2022
Date:.....

Cornwall Care Limited

Consolidated Statement of Financial Activities

Year Ended 31 December 2021

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2021 £ 000
Income and Endowments from:				
Donations and legacies	3	50	-	50
Charitable activities	4	38,067	-	38,067
Investment income			-	
Other income	5	2,266	-	2,266
Total income		40,383	-	40,383
Expenditure on:				
Charitable activities	6	(40,184)	-	(40,184)
Total expenditure		(40,184)	-	(40,184)
Exceptional items		2,675	-	2,675
Net income		2,873	-	2,873
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		676	-	676
Net movement in funds		3,549	-	3,549
Reconciliation of funds				
Total funds brought forward		16,264	216	16,480
Total funds carried forward	21	19,814	216	20,030

The notes on pages 31 to 57 form an integral part of these financial statements.

Cornwall Care Limited

Consolidated Statement of Financial Activities

Year Ended 31 December 2021

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £ 000	Restricted funds £ 000	Total 2020 £ 000
Income and Endowments from:				
Donations and legacies	3	65	-	65
Charitable activities	4	37,616	-	37,616
Investment income			-	
Other income	5	1,694	-	1,694
Total income		<u>39,375</u>	<u>-</u>	<u>39,375</u>
Expenditure on:				
Charitable activities	6	<u>(37,726)</u>	<u>(2)</u>	<u>(37,728)</u>
Total expenditure		(37,726)	(2)	(37,728)
Exceptional items		<u>(294)</u>	<u>-</u>	<u>(294)</u>
Net income/(expenditure)		<u>1,355</u>	<u>(2)</u>	<u>1,353</u>
Net movement in funds		1,355	(2)	1,353
Reconciliation of funds				
Total funds brought forward		<u>14,909</u>	<u>218</u>	<u>15,127</u>
Total funds carried forward	21	<u><u>16,264</u></u>	<u><u>216</u></u>	<u><u>16,480</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 21.

Cornwall Care Limited

Consolidated Balance Sheet

31 December 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	13	32,300	31,808
Investments	14	-	-
		<u>32,300</u>	<u>31,808</u>
Current assets			
Stocks	15	2,675	84
Debtors	16	3,256	3,289
Cash at bank and in hand	17	2,281	985
		<u>8,212</u>	<u>4,358</u>
Creditors: Amounts falling due within one year	18	<u>(6,845)</u>	<u>(5,415)</u>
Net current assets/(liabilities)		<u>1,367</u>	<u>(1,057)</u>
Total assets less current liabilities		33,666	30,751
Creditors: Amounts falling due after more than one year	19	<u>(13,637)</u>	<u>(14,271)</u>
Net assets		<u>20,030</u>	<u>16,480</u>
Funds of the group:			
Restricted income funds			
Restricted funds	21	216	216
Unrestricted income funds			
Unrestricted funds		<u>19,814</u>	<u>16,264</u>
Total funds	21	<u>20,030</u>	<u>16,480</u>

The financial statements on pages 26 to 57 were approved by the Directors, and authorised for issue on 18.08.22 and signed on their behalf by:



.....
Mrs S Taylor
Trustee

Company Registration Number: 03079623

The notes on pages 31 to 57 form an integral part of these financial statements.

Cornwall Care Limited

Balance Sheet

31 December 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	13	32,266	31,714
Investments			
		<u>32,266</u>	<u>31,714</u>
Current assets			
Stocks	15		84
Debtors	16	3,245	3,289
Cash at bank and in hand	17	2,266	883
		<u>5,511</u>	<u>4,256</u>
Creditors: Amounts falling due within one year	18	<u>(6,274)</u>	<u>(8,096)</u>
Net current liabilities		<u>(763)</u>	<u>(3,840)</u>
Total assets less current liabilities		31,504	27,875
Creditors: Amounts falling due after more than one year	19	<u>(13,637)</u>	<u>(13,771)</u>
Net assets		<u>17,867</u>	<u>14,103</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	21	216	216
Unrestricted income funds			
Unrestricted funds		<u>17,651</u>	<u>13,887</u>
Total funds	21	<u>17,867</u>	<u>14,103</u>

The financial statements on pages 26 to 57 were approved by the Directors, and authorised for issue on18.08.22... and signed on their behalf by:



.....
Mrs S Taylor
Trustee

Company Registration Number: 03079623

The notes on pages 31 to 57 form an integral part of these financial statements.

Cornwall Care Limited

Consolidated Statement of Cash Flows

Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Surplus for the year		3,549	1,353
Adjustments to cash flows from non-cash items			
Depreciation	8	1,193	991
Investment income			
Interest payable		419	390
Freehold property revaluation		(677)	-
		<u>4,484</u>	<u>2,734</u>
Working capital adjustments			
Increase in stocks	15	(2,591)	(84)
Decrease/(increase) in debtors	16	33	(944)
Increase in creditors	18	1,117	114
(Decrease)/increase in deferred income	19	(500)	
Net cash flows from operating activities		<u>2,543</u>	<u>1,819</u>
Cash flows from investing activities			
Interest receivable and similar income			
Purchase of tangible fixed assets	13	(1,007)	(1,170)
Net cash flows from investing activities		<u>(1,007)</u>	<u>(1,170)</u>
Cash flows from financing activities			
Interest payable and similar charges		(419)	(390)
Value of new loans obtained during the period		959	-
Repayment of loans and borrowings	18	(780)	(94)
Net cash flows from financing activities		<u>(240)</u>	<u>(484)</u>
Net increase in cash and cash equivalents		1,296	166
Cash and cash equivalents at 1 January		<u>985</u>	<u>819</u>
Cash and cash equivalents at 31 December		<u><u>2,281</u></u>	<u><u>985</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Directors is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Cornwall Care Health & Wellbeing Innovation Centre
Treliske
Truro
Cornwall
TR1 3FF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Cornwall Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

2 Accounting policies (continued)

Going concern

The prior year's report highlighted the directors' concern about a material uncertainty with regards to going concern. The group has delivered a significant amount of change in the last nine months and that work continues at pace in addressing the concerns raised. The group continues to implement the objectives of the turnaround plan which have resulted in a number of changes to the charity's operating model and financial structure and the benefits of that have already delivered some initial success in the final quarter of 2021 and that is expected to continue through 2022. It should be noted that the various sector specific challenges continue to place pressure on the group with the consequent impact to occupancy and the mix of fee income with the continuing high level of agency costs.

The directors are also in the final stages of merger conversations with a large national provider. The expectation is that the merger will be completed by the end of September 2022 which would see the group become part of a much larger group. The Board have prepared forecasts and considered the period to 31 December 2024 and based on the actions taken to date and as a result of the merger process plans, the Board are confident that the group is able to continue as a going concern and the financial statements have therefore been drawn up on the going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant impact on the financial statements is in respect of going concern, as described above.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Land and buildings. Properties are carried at cost, less accumulated depreciation and any subsequent accumulated impairment loss. This requires an estimation in the depreciation rates used as well as assessment of the particular circumstances of each care home to assess whether an indicator of impairment has occurred. Included within the net book value of land and buildings is £6,160,246 (2020 - £6,313,742) in respect of freehold land and buildings and £22,838,980 (2020 - £22,378,046) in respect of leaseholds

Trade debtors. Provision is made against amounts which are considered doubtful on a specific client by client basis. The carrying value of trade debtors at the year end is £2,772,000 (2020 - £2,911,000).

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

2 Accounting policies (continued)

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

2 Accounting policies (continued)

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold property	2% straight line
Long leasehold properties	over the term of the lease
Computer equipment	25% straight line
Fixtures, fittings and other equipment	25% straight line
Motor vehicles	25% straight line
Long term equipment	10% straight line
Photo voltaic panels	4% straight line

Research and development

Research and development expenditure is written off as incurred.

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

2 Accounting policies (continued)

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the Directors's discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

2 Accounting policies (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

3 Income from donations and legacies

	Unrestricted funds General £ 000	Total funds £ 000
Donations and legacies;		
Donations from companies, trusts and similar proceeds	1	1
Donations from individuals	41	41
Legacies	1	1
Grants, including capital grants;		
Grants from other charities	7	7
Total for 2021	<u>50</u>	<u>50</u>
Total for 2020	<u>65</u>	<u>65</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

4 Income from charitable activities

	Unrestricted funds General £ 000	Total funds £ 000
Care Home	35,642	35,642
Home Care	2,425	2,425
Total for 2021	<u>38,067</u>	<u>38,067</u>
Total for 2020	<u>37,616</u>	<u>37,616</u>

5 Other income

	Unrestricted funds General £ 000	Total 2021 £ 000	Total 2020 £ 000
Grants	2,255	2,255	1,660
Training	-	-	20
Other	10	10	14
	<u>2,266</u>	<u>2,266</u>	<u>1,694</u>

Of the other income, £2,259k was attributable to restricted funds (2020: £1,660k) and the balance of £7k related to unrestricted funds (2020: £34k). The grants received were in respect of Covid-19 related support.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

6 Expenditure on charitable activities

	Note	Unrestricted funds General £ 000	Total 2021 £ 000	Total 2020 £ 000
Resident Costs		1,308	1,308	1,246
Premises and equipment costs		3,140	3,140	2,985
Communications		924	924	667
Legal and professional		571	571	481
Other care expenses		249	249	303
Depreciation, amortisation and other similar costs		1,193	1,193	991
Staff costs		22,644	22,644	22,426
Agency staff costs		4,086	4,086	4,267
Other staff costs		631	631	704
Allocated support costs	7	5,439	5,439	3,658
		<u>40,184</u>	<u>40,184</u>	<u>37,728</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

7 Analysis of support costs

Charitable activities expenditure

	Unrestricted funds General £ 000	Total funds £ 000
Staff costs	3,873	3,873
Other staff costs	41	41
Premises and equipment	470	470
Loan Interest payable	419	419
Other admin expense	636	636
Total for 2021	<u>5,439</u>	<u>5,439</u>
Total for 2020	<u>3,657</u>	<u>3,657</u>

8 Exceptional items

	Unrestricted funds General £ 000	Total funds £ 000
Exceptional items	<u>2,675</u>	<u>2,675</u>
Total for 2021	<u>2,675</u>	<u>2,675</u>
Total for 2020	<u>(294)</u>	<u>(294)</u>

Exceptional income in 2021 of £2,675k relates to the write back of costs previously written off in respect of the plans to develop a care village including cost of exercising the option to purchase a 10 acre site in Wadebridge completed in January 2018.

Exceptional expense in 2020 of £294k comprises £(47k) write back of work in progress and development income associated with the Wadebridge project, £285k costs provided for the potential legal claim re Zellis and £56k of staff placement fees as staff transferred from Newcross agency.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021	2020
	£ 000	£ 000
Depreciation of fixed assets	1,193	991
Remuneration to auditors for audit services - group	26	19
Remuneration to auditors for audit services - company	5	3
Remuneration to auditors for tax services - company	3	3
Write back development costs	<u>(2,675)</u>	<u>(47)</u>

10 Trustees remuneration and expenses

Two directors of the company received remuneration totalling £24,000 (2020: Nil). No directors received reimbursement for travel costs and subsistence for attending meetings and training courses.

The company has Directors and Officers Liability insurance with Royal and Sun Alliance which provides £2m of indemnity insurance for the directors

11 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£ 000	£ 000
Staff costs during the year were:		
Wages and salaries	24,235	22,953
Social security costs	1,782	1,698
Pension costs	<u>500</u>	<u>510</u>
	<u>26,517</u>	<u>25,161</u>

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2021	2020
	No	No
Care services	663	643
Management and Administration	<u>176</u>	<u>145</u>
	<u>839</u>	<u>788</u>

The number of employees whose emoluments fell within the following bands was:

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

11 Staff costs (continued)

	2021	2020
	No	No
£60,001 - £70,000	3	-
£70,001 - £80,000	2	-
£80,001 - £90,000	1	-
£100,001 - £110,000	-	2
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1
	<u> </u>	<u> </u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

12 Taxation

All of the parent company's income is applied for charitable purposes and therefore the company is exempt from corporation tax, however the trading subsidiaries are subject to corporation tax.

No tax has been accrued for the profits of the trading subsidiaries as the gift aid payment will be made before 30 September 2022, nine months after the year end.

13 Tangible fixed assets

Group

	Land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost				
At 1 January 2021	29,425	5,089	143	34,657
Revaluations	70	-	-	70
Additions	-	960	47	1,007
At 31 December 2021	<u>29,495</u>	<u>6,049</u>	<u>190</u>	<u>35,734</u>
Depreciation				
At 1 January 2021	734	2,058	57	2,849
Revaluations	(607)	-	-	(607)
Charge for the year	369	792	32	1,193
At 31 December 2021	<u>496</u>	<u>2,850</u>	<u>89</u>	<u>3,435</u>
Net book value				
At 31 December 2021	<u>28,999</u>	<u>3,200</u>	<u>101</u>	<u>32,300</u>
At 31 December 2020	<u>28,691</u>	<u>3,032</u>	<u>86</u>	<u>31,809</u>

Included within the net book value of land and buildings above is £6,160,246 (2020 - £6,313,742) in respect of freehold land and buildings and £22,838,980 (2020 - £22,378,046) in respect of leaseholds.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

13 Tangible fixed assets (continued)

Charity

	Land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Total £ 000
Cost				
At 1 January 2021	29,425	4,965	143	34,533
Revaluations	70	-	-	70
Additions	-	960	47	1,007
At 31 December 2021	<u>29,495</u>	<u>5,925</u>	<u>190</u>	<u>35,610</u>
Depreciation				
At 1 January 2021	734	2,028	57	2,819
Revaluations	(607)	-	-	(607)
Charge for the year	369	731	32	1,131
At 31 December 2021	<u>496</u>	<u>2,759</u>	<u>89</u>	<u>3,344</u>
Net book value				
At 31 December 2021	<u><u>28,999</u></u>	<u><u>3,167</u></u>	<u><u>101</u></u>	<u><u>32,266</u></u>
At 31 December 2020	<u><u>28,691</u></u>	<u><u>2,937</u></u>	<u><u>86</u></u>	<u><u>31,714</u></u>

Included within the net book value of land and buildings above is £6,160,246 (2020 - £6,313,742) in respect of freehold land and buildings and £22,838,980 (2020 - £22,378,046) in respect of leaseholds.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

14 Fixed asset investments

Charity

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000	Total £ 000
Cost		
At 1 January 2021	-	-
At 31 December 2021	-	-
Net book value		
At 31 December 2021	-	-
At 31 December 2020	-	-

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2021	2020	
Subsidiary undertakings					
Cornwall Care Services Limited	England and Wales	Ordinary	100%	100%	Care services
Cornwall Care Property Limited	England and Wales	Ordinary	100%	100%	Property developer

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

14 Fixed asset investments (continued)

Subsidiaries

The profit for the financial period of Cornwall Care Services Limited was £1,263,000 (2020 - £1,445,000) and the aggregate amount of capital and reserves at the end of the period was £2,204,000 (2020 - £2,441,000).

The profit for the financial period of Cornwall Care Property Limited was £19,000 (2020 - £39,000) and the aggregate amount of capital and reserves at the end of the period was £67,000 (2020 - £48,000).

The shares in Cornwall Care Property Limited are held by Cornwall Services Limited, a wholly owned subsidiary of Cornwall Care Limited.

15 Stock

	2021	Group	2021	Charity
	£ 000	2020	£ 000	2020
	£ 000	£ 000	£ 000	£ 000
Development properties	<u>2,675</u>	<u>84</u>	<u> </u>	<u>84</u>

Included in stock is the reversal of the impairment of costs to the value of £2.6m previously written off in respect of the plans to develop a care village on the Wadebridge land held in Cornwall Care Property Limited.

16 Debtors

	2021	Group	2021	Charity
	£ 000	2020	£ 000	2020
	£ 000	£ 000	£ 000	£ 000
Trade debtors	2,772	2,911	2,772	2,911
Prepayments	152	155	141	155
Accrued income	<u>331</u>	<u>223</u>	<u>331</u>	<u>223</u>
	<u>3,256</u>	<u>3,289</u>	<u>3,245</u>	<u>3,289</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

17 Cash and cash equivalents

	2021	Group	2021	Charity
	£ 000	2020	£ 000	2020
		£ 000		£ 000
Cash on hand	10	6	10	6
Cash at bank	<u>2,271</u>	<u>979</u>	<u>2,256</u>	<u>876</u>
	<u>2,281</u>	<u>985</u>	<u>2,266</u>	<u>883</u>

18 Creditors: amounts falling due within one year

	2021	Group	2021	Charity
	£ 000	2020	£ 000	2020
		£ 000		£ 000
Bank loans	700	393	700	393
Trade creditors	1,248	670	1,248	1,080
Other loans	434	427	434	427
Due to group undertakings	-	-	2,460	4,400
Other taxation and social security	1,320	649		
Other creditors	1,446	1,929	235	458
Accruals	<u>1,697</u>	<u>1,347</u>	<u>1,197</u>	<u>1,338</u>
	<u>6,845</u>	<u>5,415</u>	<u>6,274</u>	<u>8,096</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

19 Creditors: amounts falling due after one year

	2021	Group	2021	Charity
	£ 000	2020	£ 000	2020
		£ 000		£ 000
Bank loans	11,228	10,969	11,228	10,969
Other loans	2,409	2,803	2,409	2,803
Deferred income	-	500	-	-
	<u>13,637</u>	<u>14,271</u>	<u>13,637</u>	<u>13,771</u>

Group

Included in the creditors are the following amounts due after more than five years:

	2021	2020
	£ 000	£ 000
After more than five years by instalments	<u>8,679</u>	<u>9,707</u>

Charity

Included in the creditors are the following amounts due after more than five years:

	2021	2020
	£ 000	£ 000
After more than five years by instalments	<u>8,679</u>	<u>9,707</u>

Bank and other loans

The company had two bank loans in operation at the year end. The first being a £10.2m (2020: £10.6m) loan with Triodos Bank at a variable interest rate of 2.5% above Bank of England base rate. The £10.2m loan is repayable in 240 monthly repayments which commenced 5 years after drawdown (January 2021). A further loan of £1.7m (2020: £0.8m) was drawn down in 2021 and 2020 at a rate of 3.25% payable over 72 months commencing February 2022. During 2019, the company took a loan with Cornwall Council which relates to the settlement of the LGPS deferred benefit pension scheme taken up in September 2018 for £4.2m with an interest rate at 1.75% repayable over 115 months. The balance outstanding as at 2021 was £2.4m (2020: £2.8m). The total amount of secured creditors is £11.9m (2020: £11.4m) and security is given by way of a fixed and floating charge over the company's fixed and current assets.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

20 Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £438,630 (2020 - £444,057). The year end creditor in respect of pension contributions was £150,450 (2020: £176,361).

The group operates a deefined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £438,630 (2020 - £444,057).

21 Funds

Group

	Balance at 1 January 2021 £ 000	Net Incoming resources £ 000	Balance at 31 December 2021 £ 000
Unrestricted funds			
General			
General fund	(1,098)	2,440	1,342
Pension post settlement fund	(3,230)	434	(2,796)
Revaluation Reserve	20,537	676	21,213
	<u>16,209</u>	<u>3,550</u>	<u>19,759</u>
Designated			
Homes' amenities account	<u>55</u>	<u>-</u>	<u>55</u>
Total unrestricted funds	<u>16,264</u>	<u>3,550</u>	<u>19,814</u>
Restricted funds			
Huddy legacy	<u>216</u>	<u>-</u>	<u>216</u>
Total funds	<u><u>16,480</u></u>	<u><u>3,550</u></u>	<u><u>20,030</u></u>

The Homes' amenities accounts are to provide minor comforts and benefits for residents in consultation with the residents and staff.

The Huddy legacy is for the benefit of residents at Trevarna Care Home.

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

21 Funds (continued)

	Balance at 1 January 2020 £ 000	Net Incoming resources £ 000	Transfers £ 000	Balance at 31 December 2020 £ 000
Unrestricted funds				
<i>General</i>				
General fund	(1,979)	901	(20)	(1,098)
Pension post settlement fund	(3,684)	454	-	(3,230)
Revaluation Reserve	20,537	-	-	20,537
	<u>14,874</u>	<u>1,355</u>	<u>(20)</u>	<u>16,209</u>
<i>Designated</i>				
Homes' amenities account	<u>35</u>	<u>-</u>	<u>20</u>	<u>55</u>
Total unrestricted funds	14,909	1,355	-	16,264
Restricted funds				
Huddy legacy	<u>218</u>	<u>(2)</u>	<u>-</u>	<u>216</u>
Total funds	<u>15,127</u>	<u>1,353</u>	<u>-</u>	<u>16,480</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

21 Funds (continued)

Charity

	Balance at 1 January 2021 £ 000	Net Incoming resources £ 000	Transfers £ 000	Balance at 31 December 2021 £ 000
Unrestricted funds				
General				
General fund	(3,475)	2,654	-	(822)
Designated				
Homes' amenities account	55	-	-	55
Other				
Pension post settlement	(3,230)	434	-	(2,796)
Revaluation reserve	20,537	676	-	21,213
	<u>17,307</u>	<u>1,110</u>	<u>-</u>	<u>18,417</u>
Total unrestricted funds	13,887	3,764	-	17,651
Restricted funds				
Huddy legacy	<u>216</u>	<u>-</u>	<u>-</u>	<u>216</u>
Total funds	<u>14,103</u>	<u>3,764</u>	<u>-</u>	<u>17,867</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

21 Funds (continued)

	Balance at 1 January 2020 £ 000	Net Incoming resources £ 000	Transfers £ 000	Balance at 31 December 2020 £ 000
Unrestricted funds				
<i>General</i>				
General fund	(3,829)	374	(20)	(3,475)
<i>Designated</i>				
Homes' amenities account	35	-	20	55
<i>Other</i>				
Pension post settlement	(3,684)	454	-	(3,230)
Revaluation reserve	20,537	-	-	20,537
	<u>16,853</u>	<u>454</u>	<u>-</u>	<u>17,307</u>
Total unrestricted funds	13,059	828	-	13,887
Restricted funds				
Huddy legacy	218	(2)	-	216
	<u>218</u>	<u>(2)</u>	<u>-</u>	<u>216</u>
Total funds	<u><u>13,277</u></u>	<u><u>826</u></u>	<u><u>-</u></u>	<u><u>14,103</u></u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

22 Analysis of net assets between funds

Group

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2021 £ 000
Tangible fixed assets	11,087	-	21,213	-	-	32,300
Current assets	7,941	55	-	-	216	8,212
Current liabilities	(6,845)	-	-	-	-	(6,845)
Creditors over 1 year	<u>(10,841)</u>	<u>-</u>	<u>-</u>	<u>(2,796)</u>	<u>-</u>	<u>(13,637)</u>
Total net assets	<u>1,342</u>	<u>55</u>	<u>21,213</u>	<u>(2,796)</u>	<u>216</u>	<u>20,030</u>

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2020 £ 000
Tangible fixed assets	11,271	-	20,537	-	-	31,808
Current assets	-	55	-	-	216	271
Current liabilities	(5,415)	-	-	-	-	(5,415)
Creditors over 1 year	<u>(11,041)</u>	<u>-</u>	<u>-</u>	<u>(3,230)</u>	<u>-</u>	<u>(14,271)</u>
Total net assets	<u>(5,185)</u>	<u>55</u>	<u>20,537</u>	<u>(3,230)</u>	<u>216</u>	<u>12,393</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

22 Analysis of net assets between funds (continued)

Charity

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2021 £ 000
Tangible fixed assets	11,729	-	20,537	-	-	32,266
Current assets	5,240	55	-	-	216	5,511
Current liabilities	(6,274)	-	-	-	-	(6,274)
Creditors over 1 year	<u>(10,841)</u>	<u>-</u>	<u>-</u>	<u>(2,796)</u>	<u>-</u>	<u>(13,637)</u>
Total net assets	<u>(145)</u>	<u>55</u>	<u>20,537</u>	<u>(2,796)</u>	<u>216</u>	<u>17,867</u>

	General Fund £ 000	Designated Fund £ 000	Revaluation Reserve £ 000	Pension post settlement Fund £ 000	Restricted Fund £ 000	Total Funds as at 31 December 2020 £ 000
Tangible fixed assets	11,177	-	20,537	-	-	31,714
Current assets	3,985	55	-	-	216	4,256
Current liabilities	(8,096)	-	-	-	-	(8,096)
Creditors over 1 year	<u>(10,541)</u>	<u>-</u>	<u>-</u>	<u>(3,230)</u>	<u>-</u>	<u>(13,771)</u>
Total net assets	<u>(3,475)</u>	<u>55</u>	<u>20,537</u>	<u>(3,230)</u>	<u>216</u>	<u>14,103</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

23 Analysis of net funds

Group

	At 1 January 2021 £ 000	Financing cash flows £ 000	At 31 December 2021 £ 000
Cash at bank and in hand	985	1,296	2,281
Debt due within one year	820	1,134	1,954
Debt due after more than one year	13,771	13,637	27,408
Net debt	<u>15,576</u>	<u>16,067</u>	<u>31,643</u>

	At 1 January 2020 £ 000	Financing cash flows £ 000	At 31 December 2020 £ 000
Cash at bank and in hand	819	165	985
Debt due within one year	437	820	1,257
Debt due after more than one year	13,865	13,771	27,636
Net debt	<u>15,121</u>	<u>14,756</u>	<u>29,878</u>

Charity

	At 1 January 2021 £ 000	Financing cash flows £ 000	At 31 December 2021 £ 000
Cash at bank and in hand	883	102	985
Debt due within one year	820	1,134	1,954
Debt due after more than one year	13,771	13,637	27,408
Net debt	<u>15,474</u>	<u>14,873</u>	<u>30,347</u>

	At 1 January 2020 £ 000	Financing cash flows £ 000	At 31 December 2020 £ 000
Cash at bank and in hand	791	92	883
Debt due within one year	437	820	1,257
Debt due after more than one year	13,865	13,771	27,636
Net debt	<u>15,093</u>	<u>14,683</u>	<u>29,776</u>

Cornwall Care Limited

Notes to the Financial Statements

Year Ended 31 December 2021

24 Related party transactions

Group

During the year the group made the following related party transactions:

Trowers & Hamlin LLP

The offspring of Mr P Rees is a partner of the limited liability partnership.

During the year transactions in the normal course of business totalling £Nil (2020: £11k) were made. .

At the balance sheet date the amount due to/from Trowers & Hamlin LLP was £Nil (2020 - £Nil).

Trustees/Directors remuneration and expense payments are detailed in Note 10.

The company has taken advantage of the exemption under the terms of FRS102 from disclosing related party transactions with entities that are part of the Cornwall Care Limited group.

25 Custodian trustee

The company is custodian trustee of residents' savings bank accounts. The money held in these bank accounts at 31 December 2021 was £46k (2020: £54k). These accounts are in the residents own names, are separate from the company's own bank account and are not included in these financial statements.

CORNWALL CARE LIMITED

England & Wales - Charity number 1053486

Accounts

Cornwall Care Limited
(Limited by guarantee)
Annual report
for the year ended 31 December 2020

Company registration number 03079623

Charity registration number 1053486

Cornwall Care Limited

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Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020

The Directors present their annual report, incorporating the Trustees' report and strategic report, for the year ended 31 December 2020 under the Companies Act 2006 together with the audited consolidated financial statements for the year and confirm that the latter complies with the requirements of the Act, the Articles of Association and the Charities SORP FRS 102.

a) Objectives and activities

The Company's objects, as set out in the Company's Articles of Association, are:

- (a) To promote the relief of and provide relief, support and assistance to individuals who by reason of old age, or physical or mental handicap, require special care and attention;
- (b) To promote and provide relief to children and young people who require special care and attention; and
- (c) To promote, in particular the relief of, and provide support and assistance to, beneficiaries who are resident in or associated with the County of Cornwall, the County of Devon and the Isles of Scilly. 'Beneficiaries' means the people referred to in the points above.

Public benefit

The Company's charitable objectives are set out above. Throughout the year the Directors have sought to benefit the public by:

- providing care to those funded by means tested assistance from the Local Authority and Kernow Clinical Commissioning Group;
- to continue to work closely with the Local Authorities and the Kernow Clinical Commissioning Group on implementing change in the way that care for older people, those with dementia and those with learning difficulties is provided.

As such the Directors confirm that they comply with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers and duties and consider it in all aspects of the charity's activities as reflected throughout the Directors' Report.

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

Objectives for the Year

The key objectives for the year were:

- **Providing safe, effective and high quality personal care to our customers:**
 - To provide quality care, through quality services that demonstrate that each individual member of staff practices with accountability.
 - Risk is managed through knowledgeable decision making and the health and safety process used with our clients and staff liberates aspiration rather than denying ambition
- **To provide a working environment where all people working for Cornwall Care feel valued and have opportunities for education, training and personal development:**
 - To achieve flexibility and adaptability we will build on our Education, Training and Practice development bedrock by nurturing the talent within our staff;
 - To grow a confident, competent workforce who can transfer skills to meet our clients' needs;
 - To recognise and promote a culture of achievement through work with service teams and implementation of staff survey; and
 - Recruit, train and retain staff who are skilled to deliver care to meet customers' needs and the organisations goals and objectives.
- **To raise Cornwall Care's profile on a sustained basis, being recognised as a quality operation leading the market in care:**
 - To understand what motivates our customers so that we can build relationships with them;
 - To emphasise the reinforcement of the brand through language, behaviour and communication promoting enquiries, dialogue and ultimately business;
 - To focus on the individual (our clients and their relatives and our colleagues). By investing in people and establishing and supporting their potential, they achieve fulfilment, gain satisfaction and continue to stay with Cornwall Care;
 - To demonstrate to our staff how valued they are; and
 - To continue to be the most expert and caring provider of services for older people and other customer groups, defined by our own standards as well as those of our clients and our commissioners.
- **To improve our estate to establish a sustainable future:**
 - To enhance the Company's internal and external environments to enable these spaces to be an integral part of the quality of care and services we deliver;
 - To develop our existing estate in line with the care needs of the people we look after and the staff who support them; and
 - To achieve good property management through understanding the fabric of our existing stock and adopting a systematic approach to its maintenance.
- **To deliver financial stability and stimulate growth in order to reinvest in the company:**
 - To have high quality performance reporting in order to manage the business;
 - To achieve financial stability and good financial performance by ensuring income targets are met and costs are managed satisfactorily;
 - To ensure that we maintain and improve cash flows and liquidity in order to continue to operate and meet our obligations; and
 - To be able to access funding (through borrowing or partnerships) in order to finance our capital development plans

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

Strategies to achieve the objectives

The Board's focus to achieve the objectives has been the implementation of the following strategies:

- **Providing safe, effective and high-quality personal care to our customers:** The main aim has been to meet the increasing needs of our customers and commissioners. We continue to shape our services to provide higher levels of care. Nine of our sixteen care homes are registered as care homes with nursing. A number of our facilities are also providing supported living services to adults with mental health issues which itself facilitated growth in our community services. The main regulator is the Care Quality Commission who inspect services on a routine basis. In addition, Cornwall Care has a robust internal system of audit and shared learning to ensure that all services are performing. The quality of services is also evaluated by using feedback from staff and clients and their relatives. This information is reviewed by the Board and is used in planning services.
- **To provide a working environment where all people working for Cornwall Care feel valued and have opportunities for education, training and personal development:** As the largest private sector employer in Cornwall, we continue to invest significantly in recruiting, training and retaining our staff at all levels to ensure that we deliver a high quality of service to our customers. A great deal of focus has been on recruiting carer and nursing staff and reducing staff turnover and sickness. We continue to invest in our Education, Training and Practice Development team who operate as an Accredited Education Assessment Centre.
- **To raise Cornwall Care's profile on a sustained basis, being recognised as a quality operation leading the market in care:** A key part of our service is communicating with clients, relatives and staff. This year has seen us use a range of media and promotional activity focussed on developing and maintaining inter-professional relationships with colleagues in commissioning agencies. Customer service and engagement is developing through training for our staff from initial enquiry to delivery of service. Staff engagement is increasing through website developments, email newsletters and social media.
- **To remodel our care provision to establish a sustainable future:** During the year we have been considering options on sites we occupy to understand how best these may be remodelled to provide the most effective care settings.
- **To deliver financial stability and stimulate growth in order to reinvest in the company:** Cornwall Care has achieved positive and sustainable EBITDA, the financial review is set out in detail from page 6.

Longer Term Objectives

Our objectives above were set for the year but, taken as a whole, they also represent the company's longer-term objectives in respect of high-quality service provision, staff development and the continuing delivery of care in ways most appropriate to customer needs.

The success of these objectives is measured by such outcomes as customer satisfaction, staff satisfaction and retention and the company's continuing investment plans. These outcomes may manifest themselves in different ways such as high occupancy levels or sound financial performance, which can be assessed objectively, or in other ways less susceptible to measurement but which nonetheless allow the company to continue to grow and to provide high quality services to customers.

Directors' report (incorporating Trustee's report and strategic report) for the year ended 31 December 2020 (continued)

Principal Activities

The principal activity of the company continues to be the provision of care for adults and older people throughout Cornwall. Our clients receive quality care services that are provided in the following ways:

- **Care Homes:** Our 16 care homes provide care for older frail people and those with dementia, either on a permanent basis or for rehabilitation and respite visits. Nursing services were in operation in nine of these homes for the full year.
- **Extra Care / Supported Living:** A number of our properties contain independent living units which provide accommodation enabling adults with mental health issues to live semi-independent lives within the community.
- **Home Care:** Our domiciliary and community care services deliver care and related services to clients in their own homes.

b) Achievements and performance

A review of Cornwall Care's strategy and annual plan for 2020 confirmed positive progress in a number of areas in meeting planned targets. These include:

- **Financial targets:** The financial review is set out on page 6.
- **Service development:** We have responded to an increase in demand for specialist nursing care and this has enabled the company to overcome pressures on occupancy and fees in the care sector.
- **Quality:** The year saw continued investment in care quality, leadership and governance processes in order to improve and manage the quality of care throughout the organisation. The Care Quality Commission inspected 3 care homes during 2020 and our home care provision.
- **Staff:** The Company continued to invest significantly in staff education and practice development. This ranges from statutory training, in-house accredited courses to leadership training and coaching. This has resulted in continuing high levels of client satisfaction.

The company operates in a specialised and highly regulated sector where there are significant pressures on costs. We have seen some recognition from statutory bodies that funding levels for clients with higher care requirements need to rise but have also found it challenging to recruit sufficient carer and nursing staff for our homes. The shortage of nurses is a well-known national and regional challenge, one that has continued through 2021. This has led to greater use of agency staff than we would like which also has the effect of increasing costs. We have, and continue to, actively review our pay and terms and conditions for carers and nurses, benchmarking these with local providers. This has delivered success which continues into 2021. We have also invested in our ability to recruit and retain staff which has proved positive.

Directors' report (incorporating Trustee's report and strategic report) for the year ended 31 December 2020 (continued)

c) Financial review

The financial performance of the group is reported in detail from page 21. A summary of the financial performance is provided below:

	2020 £'000	2019 £'000	Notes
Income	39,375	35,415	
Staff Costs	30,186	28,338	
Resident Costs	1,245	1,278	
Premises Costs	3,708	2,857	
Administration Costs	1,208	1,707	
EBITDA	3,028	1,235	1
Exceptional Items	294	370	2
Interest (including pension related)	390	397	
Depreciation	991	887	
Surplus before revaluation	1,353	(419)	

Notes:

1. Earnings Before Interest Tax & Depreciation (EBITDA) is the generally accepted measure of business performance and a proxy for cash generated from operating activities.
2. Exceptional Items above of £294k comprises a (£47k) write off of work in progress and development income associated with the Wadebridge project, £285k costs provided for the potential legal claim re Zellis and £55k of staff placement fees as staff transferred from Newcross agency.

Principal funding sources

As noted above the group's principal activities centre on the provision of care for adults and older people either in residential and nursing homes, independent living units or the clients' own homes. The principal funding sources are clients' own contributions and amounts received from statutory bodies such as Local Authorities and the NHS for the provision of care from State resources.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

In the year ended 31 December 2020, Cornwall Care Limited (CCL) had net resources surplus for the year before other recognised gains and losses of £1.3m (2019: £0.4m net resources deficit) and a net increase in funds of £1.4m (2019: £0.6m decrease). There was no actuarial gain on the defined benefit pension scheme having exited the local government deferred benefit pension scheme in the prior year (2018: £1.0m). The net asset position at the year-end was £16.5m (2019: £15.1m).

Cornwall Care Limited's income totalled £39.4m (2019: £35.4m). The main source of income continued to be fees for residential and nursing care which made up £35.1m (2019: £32.7m) of income while domiciliary and community-based services contributed £2.6m (2019: £2.3m).

During 2020 Cornwall Care Limited received £1.6m (2019: £0) relating to COVID related grants and support.

Cornwall Care Limited's expenditure totalled £37.7m (2019: £35.4m) for the year which represents a 6% increase on 2019. As a labour-intensive service business, the staff costs and staff-related costs continue to be the main area of expenditure. Other key costs include premises and equipment costs, residents' costs and administration.

Earnings Before Interest Tax & Depreciation (EBITDA), the generally accepted measure for business performance and a proxy for the cash generated from our operating activities was £3.0m for the year (2019: £1.2m).

Going concern incorporating post balance sheet events

Whilst the charity is reporting a positive financial performance for the year to December 2020, at the date of signing the accounts, there was a material uncertainty relating to CCL continuing as a going concern. The ongoing impact from the pandemic has created the perfect storm of compressing income and increasing costs. Occupancy levels have reduced below those budgeted whilst the cost pressures have reduced the EBITDA performance well below projections as we move through 2021. And while the 2021 budget was delivered with scenario plans for such an event(s), the charity has suffered a significant impact to its direct and indirect costs borne of the staffing crisis across the sector and the subsequent additional agency cost burden from covering existing vacancies and backfilling staff who were required to isolate. The reduced occupancy levels have in the main resulted from our infection control procedures which has seen a number of homes paused for admissions for a period of 28 days under guidance from Public Health England.

In looking ahead to the end of 2021 and into the first quarter of 2022, the current circumstances and noted pressures place significant downward pressure on the charity's cash resources, a situation that required immediate intervention if the charity is to remain a going concern. It is important to note that this set of circumstances isn't solely due to COVID but that the pandemic has increased the impact quite significantly in the last twelve months. The indicators around working capital, increased service debtors and indebtedness have been trending adversely for the last three years and this requires the Directors to take corrective action. The charity also operates an ageing leasehold estate of sixteen residential and nursing homes which continues to require significant investment to maintain operating standards and to meet all of the requirements of health and safety and compliance legislation.

In mitigating the risks noted above, the Board engaged a Chief Recovery Officer in October 2021 to work with management to design and implement a turnaround plan. Having taken a series of initial steps to successfully arrest the cash position, and having undertaken a fundamental review of our estate and operating model, the Board have approved the plan and the measures required to re-scale the organisation. This will drive efficiencies through the estate in the short and medium term and will include the need to realise the value of unencumbered assets that aren't central to the charity's vision and strategy to deliver person centred care. This will strengthen the balance sheet and reduce the charity's overall indebtedness. That turnaround plan commenced in late 2021 and will continue at pace in the first quarter of 2022. In reporting the material uncertainty with regards to going concern, the directors strongly believe CCL will remain a going concern and this is a temporary position with the

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

measures noted below strengthening the charity's ability to meet the continuing challenges that remain across the social care sector and the increasing need for care across Cornwall. The actions agreed provide sufficient comfort from the profit and loss, balance sheet and cash projections that the Board approved in December 2021.

The directors' assessment that the charity will continue as a going concern is based on a number of factors. As the largest private sector provider of care in the County, the charity retains the necessary capacity and skills that are required to meet the demands of caring for an ageing population in Cornwall. We also retain the support of our stakeholders including banking partners and our service commissioners. The turnaround plan is focused in the following areas which combined would contribute to a £4.9m saving in year one alone:

1. Sale of Owned Premises

The pandemic has driven the need for teams to work differently across Cornwall in support of our care homes and care colleagues. With sixteen sites across Cornwall and more support office staff being recruited from both around the county and out of area, there is a much-reduced need for a permanent head office base. As such the support office in Truro office closed at the end of November 2021 and the property is for sale on the commercial market. Staff will work remotely and be closely aligned to their nearest care home(s) in support of our vision, strategy and overarching objectives. With Government re-introducing work from home guidance, this has been a prudent move that is already reducing operational costs.

2. Sale of Care Homes

- The recent valuation of our estate and review of our operating model means that we will move to sell two care homes, one in 2022 and one at the end of 2023. This will realise in excess of £7m and allows the charity to reduce its current debt position quite significantly. The care home sale planned for 2022 would be expected to realise £700k in cash if successfully completed. Whilst there is a risk to the timing of that sale, the directors are comfortable that other cost reduction projects and/or income assumptions are sufficiently conservative to manage any downside risk. By way of example, the revised fee assessments assume increased income of £800k next year when the realisable fee uplift will be in the region of £2.2m in 2022 based on completed assessments.

3. Debt management

Debtor balances have been increasing in the last three financial years and that position has been exacerbated through the pandemic as we moved people quickly from hospital into care and staff moved to working from home. This has resulted in care being provided as a priority with the mechanism for collecting debts being impacted quite significantly with the subsequent impact to working capital balances. A programme of work is now in place with both commissioners and self-funders to recover a significant portion of the debt that is greater than six months overdue. There is also a separate review being undertaken of the internal processes when a resident first enters care. We have identified gaps following an initial review and will work with all stakeholders to put a robust process in place to prevent this occurring again.

Between October and December 2021, in excess of £200k of aged debt has now been collected in excess of the internal target.

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

4. Land Sale

The charity owns two packages of land in Bodmin and Wadebridge. The charity has been in conversations with a commercial third-party developer to sell the Wadebridge site, those conversations continue. The charity has also recently been approached by a third party with a view to selling the Bodmin site which we are actively exploring with the interested party. The Board reserves the right to focus on the most advantage sale proposal to ensure we realise maximum value from the land.

5. Care Fee Assessments

With the priority being to provide care for residents through the pandemic, the assessment of care needs and associated fees from any increasing need(s) haven't been completed as would normally be the case. On review, there were a large number of outstanding fee assessments with an annualised value of £2.2m; £800k of that total has already been confirmed and is being paid in 2021.

6. Operating Model

The charity has reviewed its operating model with a target to reduce (non-care) costs significantly to deliver a more efficient and effective model that's aligned with the needs of our residents and stakeholders. The required reduction in operating costs has been included in the approved budget for 2022 and forms part of the £4.9m of additional income/savings approved by the Board.

Cash

The events noted above have impacted significantly on cash balances. Group cash balances at December 31st 2020 were £985k. The original cashflow projection for the end of December 2021 was £615k noting some expected attrition from operational challenges through the pandemic. However, based on the work completed with the CRO, the charity is now forecasting cash balances of £1.54m, £900k ahead of original expectations.

Whilst cash balances have remained at around £1m through 2021, the impact through the summer months of staff vacancies and subsequent increases in agency spend has placed significant pressure on cash projections for the balance of the year. This has been compounded by adverse income variances due to lower occupancy. The very welcome infection control grants of £1m received during 2021 have helped the cash position although those grants will cease in September 2021. This has gone part way to meeting the additional costs the charity has had to find through the pandemic. Both in 2020 and 2021, the costs incurred in excess of grants received will be £700k each year and that has also impacted on working capital.

On balance, the projected cash of £1.54m provides a solid foundation for next year acknowledging that the cash actions already taken will unwind by the mid-point of 2022. The Board are assured around the cash position based on the contents of the turnaround plan and the focus on saving £4.9m in 2022.

Short- and Long-Term Creditors-Loans

Total loans repayable stood at £14.6m as at December 31st 2020. At the date of signing these accounts that amount had increased to £15.0m due to the final drawdown of funds from the Triodos loan in early 2021. The charity will commence repayment of capital sums for the £1.7m loan, that is fully drawn down, in February 2022. These amounts are included in the forward cash plans.

The directors, having reviewed the detail of the actions supporting the high-level plans, are of the belief that the charity remains a going concern as a result of these interventions and the plans in train to change its operating model, cost base and asset position.

Trading update

The budget for CCL in 2021 was for income of £44.1m to produce an EBITDA of £2.8m net of £41.3m of operating costs. The revised forecast reduces income to £39.9m which would produce an EBITDA of £1.8m (£1.0m adverse to budget) net of operating costs totalling £38.1m.

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

For 2020, CCL has delivered an EBITDA surplus of £3,028k (£1,235k in 2019) and net earnings of £1,353k (£419k deficit in 2019). Our 2020 income performance was only 5.3% lower than our annual plan, whilst our expenditure performance was 4.3% lower than planned.

Ensuring a robust and sustainable financial position is fundamental for the financial recovery of CCL and will ensure that we can implement planned investments in our infrastructure and our staff.

During 2021, the main financial risk continues to relate to the on-going COVID pandemic. Because of our extensive proactive approach to and planning of our rigorous infection control processes, social distancing and isolation measures across all of our services, CCL is in a good position. We abide by all the required regulations and close the home to new admissions where needed in line with guidance of Public Health England.

Our capital funding provider, Triodos, receives regular reports regarding the financial performance of CCL and subsidiaries and continue to be supportive of the business. Based on ongoing communication with the bank regarding the noted financial pressures, the directors have no reason to believe that the bank intends to take any action to recover sums outstanding. The directors, having approved a budget and cash flow for 2022, are assured that the approved turnaround plan will see the charity meet its bank covenants in the coming year. The directors remain very grateful for the continued support and engagement from all of our stakeholders.

In respect of local authority and NHS commissioners, Cornwall Care is the largest adult social care provider in the county and as such we are maintaining and improving our high-profile role with significant engagement on a daily basis, for the benefit of our staff and the people we look after. We care for 647 people in bed-based settings and over 10,000 hours of care per month in our community settings.

Cornwall Care self-funding clients represent circa 35% of our care homes turnover. We do not differentiate between commissioned and non-commissioned clients in respect of our fees; all of our clients pay the same fees for their assessed level of need regardless of commissioning status. As our service portfolio extends and diversifies our expectation is that income from self-funders will increase and also commissioned clients will access additional fee-based services.

Cornwall Care provides care to vulnerable people with higher-than-average needs and in a number of specialist care settings. Smaller care providers typically do not support clients with these needs and so this places Cornwall Care in a unique position within county. All evidence-based demographic and population health needs assessments forecast that numbers of vulnerable people in county and nationally with these needs will increase over the next 5 years with an associated escalation of complexity of care requirements. This demonstrates an expanding customer base and Cornwall Care is now working to respond to this increase by developing new services, in line with our agreed strategic direction.

There is a 12-month cash flow position from the date of signing this report and the forecasting assumptions have based the income on the current levels of occupancy and the turnaround plan approved by the Board in December 2021.

Directors' report (incorporating Trustee's report and strategic report) for the year ended 31 December 2020 (continued)

We recognise that availability of substantive workforce is a risk to all social care providers, including Cornwall Care. We have taken a series of actions to mitigate this risk. This includes a workforce recruitment & retention programme during 2021 which has seen significant improvement in recruitment and retention of HCA1/2 and HCA3 staff. During 2020 we developed a partnership with Cornwall College Group. This partnership will launch a programme of academic and operational service delivery based accredited and non-accredited courses for new and existing care professionals and additionally the exploration of new models of working, in collaboration with commissioners, regulators and our partners in higher education.

The Board wishes to extend its sincere thanks to all Cornwall Care staff for their unstinting commitment to delivering care across the county through a pandemic in what continue to be very difficult and trying circumstances.

Loans

The company had one bank loan in operation at the year-end of £11.4m (2019: £10.6m) from Triodos Bank. The company has a loan with Cornwall Council of £3.2m (2019: £3.7m) in respect of the pension scheme which is repayable in quarterly instalments until 01/03/2028.

Investment powers, policy and performance

The Trustees Investment Policy is governed by the Trustee Investment Act 2000. Under the Articles of Association, the company has the power to make any investment that the Directors see fit.

Reserves policy

As at 31 December 2020, the group had unrestricted funds of £16.2m (2019: £14.9m) of which £nil (2019: £nil) was freely available. The balance was invested in fixed assets or was designated for other purposes as detailed in note 15 to the Financial Statements.

The group aims to maintain sufficient reserves to cover possible future deficits that may occur due to fluctuations in business activity and to take opportunities as they arise. The reserves policy is reviewed annually as part of the business plan, and to ensure the charity meets the required level of reserves.

The directors consider that the present level of reserves is sufficient to meet these requirements.

Principal risks and uncertainties

Risk management

The Directors have reviewed and reassessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that the approved turnaround plan mitigates exposure to major risks with the corrective actions noted in this report.

The Board of Directors and Audit and Risk Committee ensure that the major risks to which the company is exposed have been identified and systems put in place to mitigate these risks on an annual basis.

The year has seen the continued management of existing risks balanced with our response to new risks and the challenges they present. A balance has been struck between specific operational risks and more strategic issues. These include risks associated with personalisation, commissioning and the impact of downward pressure on public sector budgets.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The company does monitor and take action in each of these areas to mitigate the potential adverse effects that such a risk may pose as follows:

Cornwall Care Limited

Directors' report (incorporating Trustee's report and strategic report) for the year ended 31 December 2020 (continued)

Credit risk

The company has an established procedure to ensure that the credit risk is minimised. The markets in which the company operates mean that there is relatively low credit risk. The main risk that the company carries is through unpaid invoices in the normal course of trading.

Liquidity risk

The company monitors its working capital requirements and cash flows to ensure that the company has sufficient available funds for operations.

Health and safety

The Board receives an annual health and safety report from the management team. The report covers all health and safety issues including legislation, health and safety meetings, policies and procedures, accident reports and training needs.

Plans for future periods

Cornwall Care has a five-year rolling business plan for 2017 to 2021. This sets the strategic direction of the organisation and formed the framework for the annual budget for 2020. The business plan has six principal objectives for 2020:

- To provide safe, quality care and to meaningfully engage with clients and stakeholders;
- To recruit, retain and reward staff and to provide a working environment where all people have opportunities for professional and personal development;
- To deliver financial stability in a dynamic and challenging environment and stimulate growth in order to reinvest in the company;
- To remodel the current property portfolio and deliver new facilities in order to establish a sustainable legacy for the future;
- To position Cornwall Care as the provider of choice and to stimulate confidence in and demand for our services;
- Embed the charitable aims of the organisation in the activity of the organisation and each home/service.

Employees

Cornwall Care is committed to equal opportunities in employment.

The company recognises its responsibilities in relation to people with disabilities. The company gives full consideration to applicants for employment from disabled people, who adequately fulfil the requirements of the job. Should existing employees become disabled it is the company's policy, if practicable, to provide continuing employment under the company's terms and conditions and to provide appropriate training.

d) Structure, Governance and Management

Governing document

Cornwall Care Limited is a registered charity and company limited by guarantee. It is governed by its Articles of Association and the Board of Directors who are also its Trustees.

Organisation

A wholly-owned subsidiary company, Cornwall Care Services Limited, is responsible for the day-to-day management of the organisation and for the provision of the care services. Cornwall Care Services Limited is led by a Board of Directors which reports to the Board of Directors of Cornwall Care Limited.

Directors' report (incorporating Trustee's report and strategic report) for the year ended 31 December 2020 (continued)

This governance structure is suited to addressing the challenges and opportunities in the rapidly changing care sector and it ensures that Cornwall Care Limited continues to be a sustainable organisation which can deliver its charitable mission.

The Board of Cornwall Care Limited meets monthly to review the performance in relation to objectives, strategy and business plans as well as being responsible for strategic business decisions. The Board meets annually to review strategy and approve the five-year business plan and annual budget.

The Board meets to decide on strategy and policy but delegates the implementation of these to the executive and senior management teams. To provide for greater agility in day-to-day management, an Operational Committee has been formed with members being those who are Directors of both companies. The Committee will scrutinise the services provided by Cornwall Care Serviced Limited and decide on matters of such significance that the approval of the Board of Directors of Cornwall Care Limited is required before the next meeting.

Recruitment and appointment of Directors

Directors are appointed by the Board in accordance with the Articles of Association and can serve a maximum of six consecutive years.

Directors are appointed by the Board following a search and selection process managed by the Nominations Committee. Directors are provided with regular information updates on their role as Trustees and Directors.

The Board reviews the skills and experience of Directors on an annual basis to ensure that the company has the range of skills and experience required by the Board.

Employee involvement

Regular meetings are held between senior managers and each business unit's management team to review progress and developments both in their business and the Company as a whole. Within each business unit the manager holds regular staff meetings to ensure that the Company's goals and objectives are fully understood. Views and opinions of members of staff from around the group are collated annually in an anonymous web-based staff survey.

Setting of pay

The setting of pay and remuneration of key management personnel is undertaken by the remuneration committee which meets on an annual basis. The committee utilises benchmarking information from within the care sector and the local economy.

Directors and staff

The Directors wish to acknowledge and thank all staff for the dedication and hard work they have put into making Cornwall Care Limited a recognised and trusted provider of high-quality care for adults in Cornwall.

Related parties

The Company has two active subsidiary companies, Cornwall Care Property Limited and Cornwall Care Services Limited set up to carry out property development work of new care homes, and provide care services, respectively.

The company had transactions in the normal course of business with Stephen Scown Solicitors LLP, of which Mr M Beadel is a partner, also transactions in the normal course of business with Desuto Ltd, of which Mr J Acornley is a director and transactions in the normal course of business with Trowers & Hamblins LLP, of which Mr P Rees has close family who is a partner of the law firm. These transactions are disclosed in note 21.

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

Statement on Internal Control

The Board is responsible for ensuring that the group maintains a system of internal financial controls. The objective of the system is to safeguard the Company's assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is timely and reliable. Any such system can only provide reasonable, but not absolute, assurance against material loss or misstatement.

Internal Audit services are provided by TIAA. In 2020 they undertook 8 audits, resulting in 2 "urgent" and 19 "important" actions. Reports are tabled at the bi-monthly Audit and Risk Committee where progress on the resulting actions is monitored.

All the day to day operational decisions are taken initially by the Executive Directors, in accordance with the Company's strategy. The Executive Directors are also responsible for initiating commercial transactions and approving payments, save for those relating to their own employment.

The key internal controls include policies and procedures covering finance, operations, quality and systems, and risk management incorporating specific levels of delegated authority and the segregation of duties; the review of pertinent commercial, financial and other information by the Board on a regular basis; the prior approval of all significant decisions; and maintaining a formal strategy for business activities. An Audit and Risk Committee, whose members are Non-Executive Directors, meets regularly with the objective of giving assurance to the Board regarding the operation of such controls.

Cornwall Care Limited

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

e) Reference and administrative details

Charity number: 1053486
Company number: 03079623
Principal office and
Registered office: Cornwall Care House
Glenthorne Court
Truro Business Park
Truro
TR4 9NY

Members of the Board who served during the year ended 31 December 2020

Trustees:
Mr C C Nicholls
Mr P K Rees (resigned 31/12/2020)
Ms T O Sorensen OBE (resigned 31/12/2020)
Ms H Bennett (appointed 13/10/2020)
Mr J Day (appointed 13/10/2020)
Mr D Law (appointed 01/01/2021)
Mrs S A E Taylor (appointed 01/01/2021)

The members of the Board are directors of the company for Companies Act purposes and trustees for the purpose of the Charities Act. Directors are appointed by ordinary resolution subject to a minimum of 3.

Auditors

PKF Francis Clark
Lowin House
Tregolls Rd
Truro
TR1 2NA

Solicitors

Foot Anstey LLP
High Water House
Malpas Road
Truro
TR1 1QH

Bankers

Lloyds Bank plc	Triodos Bank NV
PO Box 128	Deanery Road
8 Royal Parade	Bristol
Plymouth PL1 1LX	BS1 5AS

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

f) Funds held as custodian trustee on behalf of others

Details are set out in note 22 to the financial statements.

g) Section 172 - Directors' Duties

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.'

The following paragraphs summarise how the Directors fulfil their duties:

Performance delivery and risk management

During 2020 the Board held a series of workshops with staff, to review and agree the strategic objectives of the company. Our objectives include aligning longer term care models with the evidence based anticipated changes in volume and complexity of care required by people in Cornwall.

During 2020 the Directors have revisited the governance, assurance and risk management approaches used within our company and improved these. This is so that Directors have full visibility and can take a prospective approach to risk identification and management. Board assurance is now provided through a refreshed approach to organisation risk ownership and reporting. We operate a number of Board Committees with Director membership and these have oversight and responsibility for risk management. The Board has agreed a risk taxonomy approach that has been introduced across our organisation. Working through our organisation, Directors have identified and assessed all risks using the taxonomy approach and controls ratings. This enables Director oversight and ownership of risk at all levels in our organisation.

Our People

Cornwall Care is committed to being a responsible employer within our community. Our Directors have reaffirmed their commitment to strategic objectives which include the wellbeing of the staff we employ. Our behaviour is aligned with the expectations of our people, our clients and the local communities that we serve in Cornwall. People are at the heart of the services we provide. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate to the high standards

Directors' report (incorporating Trustees' report and strategic report) for the year ended 31 December 2020 (continued)

required by our Directors and our Regulator. We must also ensure we share common values that inform and guide our behaviour so we achieve our strategic objectives in ways that gives the best care to our clients and the professional working experience that our staff deserve.

Business Relationships

The strategy that our directors have agreed prioritises the improvement of services to existing clients and bringing new clients to Cornwall Care in order to best support our local communities because of changes in their demographic and health needs. To do this we need to develop and maintain strong client relationships and strengthen links with local communities. We value our relationships with our commissioner organisations and our directors seek to work as a strategic partner with all health and care colleagues so we can optimise the use of our shared experience in addressing the health and care challenges for vulnerable people in Cornwall.

Community and Environment

We are the largest independent care provider in Cornwall and our approach is to use this strength and the skills our organisation has to best support the vulnerable people and communities we care for. We want to leverage our expertise and enable colleagues to support the communities around us.

We have made considerable progress in changing the way we work in order that we reduce the impact we have on our environment. This includes improving the use of digital technologies to reduce travelling for our clients and our staff.

Members

As a Board of Directors our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours. In doing so this will contribute to the delivery of the operational plan and the delivery of our strategic objectives agreed by Directors.

Our intention is to behave responsibly towards the staff we employ and treat them fairly and equally, so they will benefit from the successful delivery of our plan.

Statement of the directors' responsibilities

The directors are responsible for preparing the Directors' Annual Report (incorporating 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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 directors 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.

The directors' report, incorporating the Trustees' report and the strategic report was approved by the board in their capacity as Trustees and Directors on December 23rd 2021 and was signed on its behalf by:

Sally Taylor

S A E Taylor
Chair

Independent Auditor's Report to the Members of Cornwall Care Limited

Opinion

We have audited the financial statements of Cornwall Care Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty in relation to going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure in these financial statements in respect of the company's ability to continue as a going concern.

As explained in note 2 to the financial statements and section C of the Directors' report, the accounts have been prepared on the going concern basis. It is the directors' expectation that corrective actions are required to improve the financial performance and position of the company including some or all of the following:

- asset disposals;
- working capital improvement;
- favourable fee income settlements; and
- cost control.

The above all rely on successful negotiation with the relevant counterparty to achieve sustainable cash realisation and consequently may not be within the gift of the business within the required timescales. In the event that the actions above are not sufficiently successful loan capital repayment holidays, further loan restructuring or other business rationalisation measures may also be required. Having considered the above, the directors' expectation is that the Group remains a going concern. We consider that, whilst our audit report is unqualified in this respect, there remains material uncertainty in respect to the going concern assessment.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Independent Auditor's Report to the Members of Cornwall Care Limited (continued)

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Director's report set out on page 13, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Independent Auditor's Report to the Members of Cornwall Care Limited (continued)

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.

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

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the group. We gained an understanding of the industry in which the group operates as part of this assessment to identify the key laws and regulations affecting the group and parent company. As part of this, we reviewed the group's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were the regulations of the Care Quality Commission (CQC), as well as health and safety regulations, tax legislation, and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group and parent company's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.
- Review of CQC ratings and enquiries of management in relation to any ongoing CQC reviews and communications.
- Review of the group's GDPR register and enquiries of the group's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Independent Auditor's Report to the Members of Cornwall Care Limited (continued)

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Use of our report

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



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Lowin House
Tregolls Road
Truro

TR1 2NA

Date:.....23/12/2021.....

Cornwall Care Limited

Consolidated statement of financial activities for the year ended 31 December 2020 (including income and expenditure account)

	Note	Restricted funds	Unrestricted funds	Total 2020	Total 2019
		£'000	£'000	£'000	£'000
Income from:					
Donations and legacies		-	65	65	265
Charitable activities	3	-	37,616	37,616	35,109
Investments		-	-	-	1
Other	3	-	1,694	1,694	40
Total		-	39,375	39,375	35,415
Expenditure on:					
Charitable activities:					
<i>Care services</i>	4	2	34,069	34,071	31,947
<i>Support costs (including governance)</i>	4	-	3,657	3,657	3,517
Total		2	37,726	37,728	35,464
Exceptional items	4	-	294	294	370
Net income/(expenditure)	5	(2)	1,355	1,353	(419)
Transfers		-	-	-	-
Other recognised gains and losses					
Revaluation of fixed assets		-	-	-	(226)
Actuarial profit/(loss) on defined benefit scheme		-	-	-	-
Net movement in funds		(2)	1,355	1,353	(645)
Funds brought forward		218	14,909	15,127	15,772
Funds carried forward		216	16,264	16,480	15,127

The group has no acquisitions or discontinued operations during the years ended 31 December 2020 or 2019.

Cornwall Care Limited

Balance Sheets as at 31 December 2020

	Note	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Fixed assets					
Tangible assets	7	31,808	31,630	31,714	31,535
Investments	8	-	-	-	-
		31,808	31,630	31,714	31,535
Current assets					
Debtors	9	3,373	2,250	3,373	2,245
Cash at bank and in hand		985	819	883	791
		4,358	3,069	4,256	3,036
Creditors: amounts falling due within one year	10	(5,415)	(5,139)	(8,096)	(7,361)
Net current (liabilities)/assets		(1,057)	(2,070)	(3,840)	(4,325)
Total assets less current liabilities		30,751	29,560	27,874	27,210
Creditors: amounts falling due after more than one year	11	(14,271)	(14,433)	(13,771)	(13,933)
Provisions for liabilities and charges	13	-	-	-	-
Net assets		16,480	15,127	14,103	13,277
Funds					
Unrestricted funds:					
- Designated funds	14	55	35	55	35
- General funds	15	(1,098)	(1,979)	(3,475)	(3,829)
- Revaluation reserve	15	20,537	20,537	20,537	20,537
- Settlement fund for pension	15	(3,230)	(3,684)	(3,230)	(3,684)
Total unrestricted funds		16,264	14,909	13,887	13,059
Restricted fund	16	216	218	216	218
		16,480	15,127	14,103	13,277

The financial statements were approved by the board of directors on December 23rd 2021 and were signed on its behalf by:

Sally Taylor

S A E Taylor
Chair

Registered No: 03079623

Cornwall Care Limited

Consolidated cash flow statement for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	(a)	1,820	1,177
Cash outflows from investing activities:			
Interest received		-	1
Interest paid		(390)	(651)
Proceeds of sale of tangible fixed assets		-	-
Payments to acquire tangible fixed assets		(1,170)	(769)
Cash used in investing activities		(1,560)	(1,419)
Cash flows from financing activities:			
Loans received/(repaid) in year		(94)	(412)
Capital element of finance leases/hire purchase		(-)	(18)
Net cash provided by financing		(94)	(430)
		165	(672)
Change in cash and cash equivalents			
Cash and cash equivalents at 1 January		819	1,491
Cash and cash equivalents at 31 December		985	819
Cash and cash equivalents at 31 December comprise:-			
Cash at bank and in hand		985	819

(a) Reconciliation of net income/(expenditure) to net cash provided by operating activities

	2020 £'000	2019 £'000
9		
Net income/(expenditure) for the year	1,353	(419)
Interest receivable	(-)	(1)
Depreciation charge	991	887
Write down of fixed assets	-	-
Interest payable	390	651
Decrease/(increase) in Stock	(84)	-
Decrease/(increase) in debtors	(944)	(448)
(Decrease)/increase in creditors	114	761
Pension scheme – difference between contributions paid and charge in SOFA	-	-
Pension settlement	-	-
(Gain)/loss on financial liabilities at fair value through SOFA	-	(254)
Net cash provided by operating activities	1,820	1,177

Notes to the financial statements for the year ended 31 December 2020

1. Constitution

The company was incorporated under the Companies Act 1985 as a company limited by guarantee and not having share capital. In the event of winding up, every Member of the company is liable to contribute a sum not exceeding £1 per Member towards the debts and liabilities of the company and the costs, charges and expenses of winding up. At 31 December 2020, there were 3 members (2019: 3). Reference and administrative details of the charity are given in the Directors' report on page 12.

2. Accounting policies

Basis statement of compliance

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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Accounting convention

Cornwall Care Limited meets the definition of a public benefit entity under FRS 102.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets. As a consequence, the financial statements do not include a separate income and expenditure account in the form specified by the Companies Act 2006. This is a departure from the statutory format of financial statements, but it is required by section 396 Companies Act 2006 to enable the financial statements to give a true and fair view. In all other respects, the financial statements have been prepared in accordance with the Companies Act 2006.

Consolidated financial statements have been prepared in respect of the charitable company, Cornwall Care Property Limited and Cornwall Care Services Limited. The results of Cornwall Care Property Limited and Cornwall Care Services Limited have been consolidated into the statement of financial activities. Intra group transactions, balances, income and expenses are eliminated on consolidation.

Accounting policies of subsidiaries are consistent with policies adopted by the group.

In accordance with section 408 of the Companies Act 2006, a separate statement of financial activities for the company has not been presented.

Going concern

These financial statements have been prepared on the basis that the Charity remains a going concern with directors noting that there is a material uncertainty that requires corrective action(s) described in the directors report.

For the year to December 2020, CCL has posted an EBITDA surplus of £3,028k (£1,235k in 2019) and a net earnings surplus of £1,353k (£419k deficit in 2019). Our 2020 income performance was £3,778k less than our annual plan, whilst our expenditure performance was £1,438k than planned.

Notes to the financial statements for the year ended 31 December 2020
(continued)

2. Accounting policies (continued)

Voluntary income

Voluntary income received by way of donations to the company is included in full in the statement of financial activities when receivable.

Legacy income

A legacy is recognised in the financial statements when the certainty of receipt and the amount receivable has been established.

Charitable income

Turnover comprises the value of services undertaken by the company for its principal activities and is recognised as the service or care is provided.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

2. Accounting policies (continued)

Resources expended (continued)

Cost of activities in furtherance of the company's objects include costs which are directly related to or allocated to the operation of the care homes and provision of care services.

Governance costs are those incurred in connection with governance of the company and compliance with constitutional and statutory requirements.

Restricted funds

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

Unrestricted and designated funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Cornwall Care Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided on tangible fixed assets once they have been brought into use at rates calculated to write off the cost less residual value of each asset over its expected useful life of:

- Freehold property 50 years
- Long leasehold properties length of lease
- Computer equipment 4 years
- Fixtures, fittings and other equipment 4 years
- Motor vehicles 4 years
- Long term equipment 10 years
- Photo voltaic panels 25 years

Freehold and long leasehold properties are revalued periodically by an independent valuation expert, with the excess over the carrying value of the asset taken to the revaluation reserve. Property assets in the course of construction are included at cost and are not depreciated.

Stock (Work in Progress)

Work in progress is valued at the lower of cost, including attributable overheads, and net realisable value. Where a development is in progress the net realisable value is assessed by considering the expected future revenues and the expected costs to complete the development.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents net of outstanding bank overdrafts.

Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due. Assets held under finance leases, where substantially all the risk and rewards of ownership have passed to the group, and hire purchase contracts, are capitalised in the balance sheet and depreciated over the shorter of the lease term or the

2. Accounting policies (continued)

Leases (continued)

assets useful life. The capital element of future obligations are included as liabilities in the balance sheet. Interest is charged on a straight line basis.

Financial instruments

Financial assets and liabilities are recognised/(derecognised) when the Group becomes/(ceases to be) party to the contractual provisions of the instrument. The Group holds the following financial assets and liabilities:

- *Short-term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in the profit and loss account before operating profit.

- *Bank and other loans*

Loans which meet the criteria under FRS 102 to be classed as 'basic financial instruments' are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 December 2020
(continued)

- *Derivative financial instruments*

The Group uses interest rate swaps to reduce exposure to interest rate movements. Interest rate swaps are initially recognised at fair value at the date of inception and are subsequently remeasured to fair value at each reporting date. The resulting gain or loss is recognised immediately in the SOFA within charitable income/expenditure.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Provision is made against specific trade debtors where recoverability is considered doubtful.

Notes to the financial statements for the year ended 31 December 2020
(continued)

3. a) Income from Charitable activities

	2020	2019
	£'000	£'000
Care Homes	35,059	32,715
Day Care	-	48
Home Care	2,557	2,346
	37,616	35,109

Of the total income from charitable activities, £Nil was attributable to restricted funds (2019: £Nil) and the balance of £37,616 related to unrestricted funds (2019: £35,109).

3. b) Other income

	2020	2019
	£'000	£'000
Short break and respite care	-	-
Grants	1,660	-
Training	20	28
Other	14	12
	1,694	40

Of the other income, £1,660k was attributable to restricted funds (2019: £Nil) and the balance of £34k related to unrestricted funds (2019: £40k). The grants of £1,660 were in respect of Covid-19 related support.

Cornwall Care Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

4. Total expenditure on charitable activities

a) Resources expended on charitable activities represent the following costs:

Group	Total 2020 £'000	Total 2019 £'000
Staff costs	27,397	25,655
Resident costs	1,245	1,278
Premise and equipment costs	3,165	2,430
Communications	179	106
Legal and professional	481	788
Other care expenses	519	803
Depreciation	991	887
	33,977	31,947
Support costs – general 4(b)	3,708	3,440
Support costs – governance 4(b)	41	77
Exceptional items*	294	370
	38,020	35,834

* Within Exceptional items above of £294k (2019: £370k) comprises a (£47k) write off of work in progress and development income associated with the Wadebridge project, £285k costs provided for the potential legal claim re Zellis and £55k of staff placement fees as staff transferred from Newcross agency.

Of the total expenditure on charitable activities, £2k related to restricted funds (2019: £Nil), and the balance of £38,019k (2019: £35,834k) related to unrestricted funds.

b) Allocation of support costs

Group	Support costs - general	Support costs - governance	Total 2020 £'000	Total 2019 £'000
Staff costs	2,747	41	2,788	2,683
Premise and equipment costs	543	-	543	427
Other admin expenses	28	-	28	10
Pension – current service cost	-	-	-	-
Pension – finance cost	-	-	-	-
Loan interest payable	458	-	458	651
(Gain)/loss on financial liabilities at fair value through SOFA	(68)	-	(68)	(254)
	3,708	41	3,708	3,517

Support costs are analysed by the cost category to which they relate.

Cornwall Care Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

5. Net income / (expenditure) for the year

This is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Remuneration to auditors for audit services - group	19	17
Remuneration to auditors for audit services - company	3	3
Remuneration to auditors for tax services - group	3	2
Depreciation - owned assets	991	883
- finance lease/hire purchase assets	-	4
Write off of development costs	(47)	121
Interest receivable	-	1
P&L gain following LGPS exit and pension settlement	-	-

6. Taxation

All of the parent company's income is applied for charitable purposes and therefore the company is exempt from corporation tax, however the trading subsidiaries are subject to corporation tax.

	2020	2019
	£'000	£'000
Current tax		
United Kingdom corporation tax	-	-
Adjustment in respect of prior periods	-	-
Deferred Tax	-	-
Adjustment in respect of prior periods	-	-
Tax on profit on ordinary activities	-	-

No tax has been accrued for the profits of the trading subsidiary as the gift aid payment will be made before 30 September 2021, nine months after the year end.

Notes to the financial statements for the year ended 31 December 2020
(continued)

7. Tangible fixed assets

Group	Freehold property £'000	Long leasehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 January 2020	6,620	22,805	5,906	181	35,512
Additions	-	-	1,086	84	1,170
Impairment	-	-	(1,904)	(121)	(2,025)
Transfer	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 December 2020	6,620	22,805	5,088	144	34,657
Depreciation					
At 1 January 2020	154	212	3,345	172	3,883
Disposal	-	-	(1,904)	(121)	(2,025)
Transfer	(106)	106	-	-	-
Charge for year	259	108	617	7	991
At 31 December 2020	307	426	2058	58	2,849
Net book value					
At 31 December 2020	6,313	22,379	3,030	86	31,808
At 31 December 2019	6,466	22,594	2,561	9	31,630

Company	Freehold property £'000	Long leasehold property £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation					
At 1 January 2020	6,620	22,806	5,780	181	35,387
Additions	-	-	1,086	84	1,170
Transfer	-	-	-	-	-
Impairment	-	-	(1,904)	(121)	(2,025)
Revaluation	-	-	-	-	-
At 31 December 2020	6,620	22,806	4,962	144	34,532
Depreciation					
At 1 January 2020	154	212	3,314	172	3,852
Transfer	(106)	106	-	-	-
Disposal	-	-	(1,904)	(121)	(2,025)
Charge for year	259	108	617	7	991
At 31 December 2020	307	426	2,027	58	2,818
Net book value					
At 31 December 2020	6,313	22,380	2,935	86	31,714
At 31 December 2019	6,466	22,594	2,466	9	31,535

Cornwall Care Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

7. Tangible fixed assets (continued)

Revaluation of the company's freehold and leasehold properties was carried out in October 2018 by Christie + Co, valuation consultants, and is based on an existing use market value of £28,906k.

In September 2018 the freehold property known as Athelstan House was revalued by Savills (UK) Limited, chartered surveyors, based on existing use market value of £520k.

8. Investments

	2020 £'000	2019 £'000
Investment in subsidiaries at cost		
At 1 January	-	-
Disposals	-	-
At 31 December	-	-

Company

The company holds the whole of the issued share capital of the following companies:

	Company Number	Principal activity
Cornwall Care Services Limited	07607721	Care services
Cornwall Care Property Limited (*)	07128514	Property Developer

(*) held by Cornwall Care Services Limited.

The registered address of the above subsidiary undertakings are the same as that of the parent company.

The financial statements for the year ended 31 December 2020 of Cornwall Care Property Limited (CCPL) and Cornwall Care Services Limited have been prepared on a going concern basis.

At the time Cornwall Care Limited's financial statements have been approved, the board of CCPL is considering CCPL's future and whether these align with the strategy of its parent, Cornwall Care Limited. The Board have plans to sell the land owned by CCPL before 31 March 2022 and anticipate that upon sale of this land CCPL will cease trading. The future of CCPL has yet to be formally determined.

As the timing of ceasing operations is not yet confirmed, this condition, along with the other matters explained in Cornwall Care Property Limited's financial statements, indicates the existence of a material uncertainty which may cast significant doubt about CCPL continuing as a going concern.

The company also owns 55% of Glenthorne Court (HD) Limited incorporated in England which is a property management company for the area surrounding head office. Its results are immaterial to the group.

Cornwall Care Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

8. Investments (*continued*)

Cornwall Care Property Limited

Summary profit and loss	2020 £'000	2019 £'000
Turnover	-	12
Cost of Sales	-	-
Administrative expenses	48	(12)
Gift Aid	-	-
Net Profit/(loss)	48	-
Taxation	-	-
Profit/(loss) on ordinary activities after taxation	48	-

Summary balance sheet	2020 £'000	2019 £'000
The assets and liabilities of the subsidiary were:		
Current assets	439	523
Creditors: amounts falling due within one year	(3)	(14)
Provisions for liabilities and charges	(500)	(500)
Total net assets	(64)	9
Aggregate share capital and reserves	64	9

Cornwall Care Services Limited

Summary profit and loss	2020 £'000	2019 £'000
Turnover	27,339	23,283
Administrative expenses	(25,892)	(22,186)
Exceptional item	(845)	(121)
(Loss)/profit on ordinary activities before taxation	602	976
Taxation	-	-
(Loss)/profit on ordinary activities after taxation	602	976

Summary balance sheet	2020 £'000	2019 £'000
The assets and liabilities of the subsidiary were:		
Fixed Assets	94	94
Current assets	4,476	3,739
Creditors: amounts falling due within one year	(2,129)	(1,994)
Total net assets	2,441	1,839
Aggregate share capital and reserves	2,441	1,839

Notes to the financial statements for the year ended 31 December 2020
(continued)

9. Debtors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	2,912	1,577	2,912	1,577
Amount owed by group undertakings	-	-	-	-
Stock	84	-	84	-
Other debtors	(1)	7	(1)	2
Prepayments and accrued income	378	666	378	666
	3,373	2,250	3,373	2,245

Prepayments of £72k (2019: £90k) fall due after more than one year.

10. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Loans due within one year	820	437	820	437
Trade creditors	669	1,577	1,080	1,570
Amounts due to group undertakings	-	-	4,400	4,231
Other creditors	1,712	1,668	487	303
Outstanding pension contributions	218	-	-	-
Taxation and social security	649	528	(29)	6
Accruals and deferred income	1,347	929	1,338	814
	5,415	5,139	8,096	7,361

Notes to the financial statements for the year ended 31 December 2020
(continued)

11. Creditors: amounts falling due after more than one year

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank and other loans	13,771	13,865	13,771	13,865
Deferred consideration	500	500	-	-
Derivative financial instrument (note 12)	-	68	-	68
	14,271	14,433	13,771	13,933

Loans repayable are analysed as follows

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Due in less than one year	820	437	820	437
Due over one year but under five years	3,660	3,395	3,660	3,395
Due in more than five years	10,111	10,470	10,111	10,470
	14,591	14,302	14,591	14,302

The company had two bank loans in operation at the year end being a £11.4m (2019: £10.60m) loan with Triodos Bank at a variable interest rate of 2.5% above Bank of England base rate. The £10.6m loan is repayable in 240 monthly repayments commencing 5 years after drawdown (January 2021). A further loan of £761k was drawn down in 2020 at a rate of 3.25% payable over 72 months commencing February 2022.

During 2019, the company took a loan with Cornwall Council which relates to the settlement of the LGPS deferred benefit pension scheme taken up in September 2018 for £4.2m with an interest rate at 1.75% repayable over 115 months.

The total amount of secured creditors is £11.4m (2019: £10.60m) and security is given by way of a fixed and floating charge over the company's fixed and current assets.

Deferred consideration of £500k for part of the land acquired in Wadebidge will be payable no later than 17 January 2022.

Notes to the financial statements for the year ended 31 December 2020
(continued)

12. Financial instruments - derivatives

Group and company	2020	2019
<i>Financial liabilities measured at fair value through the statement of financial activities</i>	£'000	£'000
Interest rate swaps	69	69

The group has an interest rate swap agreement with Lloyds Bank. It is dated 18 March 2010, the rate was fixed at 4.72% on £7m and ended on 18 March 2020.

The fair value of the liability of the derivatives held at the balance sheet date, determined by reference to their market value is shown above. The movement in the fair value is recognised in the statement of financial activities: profit of £...k (2019: profit of £254k).

Interest swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

13. Provisions for liabilities and charges

Deferred Tax	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At 1 January	-	-	-	-
Debit to statement of financial activities	-	-	-	-
At 31 December	-	-	-	-

Deferred Tax	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Short term timing differences	-	-	-	-
Deferred tax provision	-	-	-	-

14. Designated funds – Group and Company

	Balance at 1 January 2020 £'000	Transfer from General Fund £'000	Balance at 31 December 2020 £'000
Homes' amenities account	35	20	55

The Homes' amenities accounts are to provide minor comforts and benefits for residents in consultation with the residents and staff.

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Notes to the financial statements for the year ended 31 December 2020 (continued)

15. Unrestricted undesignated general funds

Group	General Fund £'000	Pension Fund £'000	Pension post settlement Fund £'000	Revaluation Reserve £'000	Total £'000
At 1 January 2020	(1,979)	-	(3,684)	20,537	14,874
Net incoming resources	901	-	454	-	1355
Revaluation of Fixed Assets	-	-	-	-	-
Transfer from designated fund - amenities account	(20)	-	-	-	(20)
At 31 December 2020	(1,098)	-	(3,230)	20,537	16,244

Company	General Fund £'000	Pension Fund £'000	Pension post settlement Fund £'000	Revaluation Reserve £'000	Total £'000
At 1 January 2020	(3,829)	-	(3,684)	20,537	13,024
Net incoming resources	374	-	454	-	828
Revaluation of Fixed Assets	-	-	-	-	-
Transfer from designated fund - amenities account	(20)	-	-	-	(20)
At 31 December 2020	(3,475)	-	(3,230)	20,537	13,832

16. Restricted fund – Group and Company

	Balance at 1 January 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfer £'000	Balance at 31 December 2020 £'000
Huddy legacy	218	-	2	-	216

The Huddy legacy is for the benefit of residents at Trevarna Care Home.

Cornwall Care Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

17. Analysis of group net assets between funds

	Restricted Fund £'000	Designated Funds £'000	General Fund £'000	Pension post settlement Fund £'000	Revaluation Reserve £'000	Total £'000
Tangible fixed assets			11,271		20,537	31,808
Current assets	216	55	4,087			4,358
Current liabilities			(5,415)			(5,415)
Creditors due after more than one year			(11,041)	(3,230)		(14,271)
Provisions for liabilities and charges						
Pension liability						
At 31 December 2020	216	55	(1,098)	(3,230)	20,537	16,480

18. Commitments

As at 31 December 2020 annual commitments under non-cancellable operating leases were as follows:

Group and company	Land and buildings 2020 £'000	Land and Buildings 2019 £'000
	Leases expiring: Within two to five years	-

A sale agreement in respect of the Wadebridge site has now been renegotiated. This includes the removal of a requirement for a subsidiary company of Cornwall Care Limited to construct a road and footpath to adoptable standards by 17 January 2020.

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Notes to the financial statements for the year ended 31 December 2020 (continued)

19. Staff number and costs

The average monthly number of persons employed by the group (excluding directors) during the year was as follows (the numbers include full and part time employees):

	2020	2019
Care services	1,182	1,148
Management and administration	156	149
	1,338	1,297

The average monthly number of persons on a full time equivalent basis was as follows:

	2020	2019
Care services	643	583
Management and administration	145	138
	788	721

The aggregate payroll costs of these persons were as follows:

	2020 £'000	2019 £'000
Wages, salaries and other employment costs	22,953	25,900
Social security costs	1,698	1,381
Other pension costs	510	422
Staff restructuring costs		179
	25,161	27,882

The staff costs above include exceptional costs, costs recharged and capitalised project costs.

The number of staff receiving emoluments (including compensation for loss of office) in the following bands was as follows:

	2020	2019
£60,001 - £80,000	-	3
£80,001 - £90,000	-	3
£100,001 - £110,000	2	-
£120,001 - £130,000	-	1
£150,001-£160,000	1	-

The total remuneration of senior management for the group amounted to £639k (2019: £907k). Senior management includes Directors and members of the senior management team. During the year, the Group appointed an interim Director of Finance, an interim Director of Operations and an interim Director of Corporate Governance for which £99k (2019: £290k for an interim Chief Executive Officer) was paid to third parties for their services and is included in the total amount stated.

Notes to the financial statements for the year ended 31 December 2020 (continued)

20. Remuneration of directors

The Directors of the company received no remuneration. (2019:£0) One Directors received reimbursement for travel cost and subsistence for attending meetings and training courses which amounted to £0.3k (2019: £5.9k) in total.

The company has Directors and Officers Liability insurance with Royal and Sun Alliance which provides £2m of indemnity insurance for the directors.

21. Related party transactions

At 31 December 2020, the company owed £Nil (2019: £Nil) to Trowers & Hamlins LLP, a limited liability partnership of whom Mr P Rees' offspring is a partner, as a result of transactions in the normal course of business totalling £11k (2019: £8k) during the year.

The company has taken advantage of the exemption under the terms of FRS102 from disclosing related party transactions with entities that are part of the Cornwall Care Limited group.

22. Custodian trustee

The company is custodian trustee of residents' savings bank accounts. The money held in these bank accounts at 31 December 2020 was £54k (2019: £49k). These accounts are in the residents own names, are separate from the company's own bank accounts and are not included in these financial statements.

23. Non adjusting events after the financial period

In accordance with FRS102, and guidance released by the ICAEW the emergence of the Coronavirus ("CV19") is deemed to be a non-adjusting post balance sheet event because the significant development and spread of CV19 in the United Kingdom did not take place until after January 2020.

Specifically although cases were reported to the World Health Organisation on 31 December 2019, its announcement of CV19 as a global pandemic was not made until 11 March 2020. The impact of CV19 on the going concern assessment for the company is outlined in note 1 to the financial statements.

Given the developing nature of this at the time of signing the financial statements management are unable to quantify the financial impact that this event has caused. It is possible that the fair value of assets of the Company have been negatively impacted when comparing to their current valuation.

At the date of signing the accounts, the Directors were made aware of potential court proceedings for a contractual dispute with Zellis Ltd. Whilst these accounts already include an adjustment of £285k relating to the potential legal claim, Zellis have advised that if the charity doesn't settle their claim in full by September 29th 2021 they would proceed with court action.