

SHEFFCARE LIMITED

England & Wales · Charity number 1054227

Details

Status Registered

Legal form Charitable company

Company number [02538734](#)

Registered 1996-04-01

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

Contact

Address Ms Claire Rintoul
Springwood House
192 Penrith Rd
Sheffield
South Yorkshire
S5 8UG

Phone 01142808888

Email enquiries@sheffcare.co.uk

Website www.sheffcare.co.uk

Activities

Objects: A) TO PROMOTE THE RELIEF OF ALL PERSONS WHO ARE ELDERLY, INFIRM, SICK, CONVALESCENT, DISABLED, HANDICAPPED OR WITH SPECIAL NEEDS THROUGH THE PROVISION OF CARE AND CARE FACILITIES, RESIDENTIAL, ACCOMMODATION, TRANSPORT, COMMUNITY AND OUT-REACH FACILITIES. B) THE PROVISION IN THE INTERESTS OF SOCIAL WELFARE OF RECREATIONAL FACILITIES FOR SUCH PERSONS.C) SUCH CHARITABLE PURPOSES AS FOR THE GENERAL BENEFIT OF THE INHABITANTS OF THOSE AREAS IN WHICH THE CHARITY CARRIES OUT ITS ACTIVITIES AS THEY CHARITY SHALL IN ITS ABSOLUTE DISCRETION DETERMINE ON TERMS CONSISTENT WITH CHARITABLE PURPOSES IN ACCORDANCE WITH THE LAW OF ENGLAND AND WALES.

Activities: It operates and manages residential care homes for elderly persons in Sheffield and surrounding counties on a not for profit basis. The charity provides permanent respite and day care. Our aim is to ensure the dignity, quality of life and the highest level of individual independence possible for residents and other service users.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing
- **Who:** Elderly/old People, People With Disabilities

Geography

- Barnsley
- Derbyshire
- Doncaster
- Rotherham
- Sheffield City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£17,444,296	£16,473,566	£14,222,237	540
2024-03-31	£14,992,926	£14,793,433	£11,294,507	496
2023-03-31	£12,071,252	£12,818,994	£10,321,014	452
2022-03-31	£12,324,290	£12,671,083	£5,212,880	464
2021-03-31	£13,328,280	£12,384,470	£3,709,673	505

Trustees

Name	Role	Appointed
Andrea Jane Simpson		2024-02-23
Fiona Richards		2025-07-24
Jade Tara Taylor		2026-01-29
John Baddeley		2026-04-28
John Fuller		2022-05-26
Philip Joddrell		2024-01-25
Rob Chamberlain		2023-05-25
Simon Bladen		2023-10-05
Stephanie Wardell		2025-07-24

SHEFFCARE LIMITED

England & Wales - Charity number 1054227

Accounts

Registered number: 02538734
Charity number: 1054227

SHEFFCARE LIMITED
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

SHEFFCARE LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Trustees & Directors

Brian James, Chair
Simon Bladen
Robert Chamberlain
John Fuller
Philip Joddrell
Carole Rainbird (resigned 25 September 2025)
Fiona Richards (appointed 24 July 2025)
Andrea Simpson
Stephanie Wardell (appointed 24 July 2025)
Valarie Wightman (resigned 16 July 2025)

Company registered number

02538734

Charity registered number

1054227

Registered office

Springwood House, 192 Penrith Road, Sheffield, S5 8UG

Chief executive officer

Claire Rintoul

Senior management team

Sarah Stapleton, Director of Finance
Tracey Payne, Care and Operations Director/Deputy Chief Executive Officer (retired 30 June 2024)
Merewyn Scafe, Director of HR
John Dawson, Director of Facilities
Louise Beaumont, Director of Quality & Care

Independent auditor

MCABA Limited t/a Mitchells, 91-97 Saltergate, Chesterfield, S40 1LA

Bankers

Barclays Bank, 1, St. Paul's Place, 121 Norfolk Street, Sheffield, S1 2JW

Solicitors

Hemingways Solicitors Limited, 11 Westbourne Road, Sheffield, S10 2QQ

SHEFFCARE LIMITED

CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Hello and welcome to our annual report for the year 2024-25.

From a financial perspective, the Charity has continued to improve occupancy levels, and the income associated with that additional activity, and has concluded the year with a surplus higher than that forecast. In line with our charitable status and Not-for-Profit mandate, we will invest that surplus wisely in further improvements in the quality and fabric of our facilities and in assuring our compliance with regulatory requirements, which always demand higher standards than in the previous year.

In common with many organisations, we will be significantly impacted by the increase in the National Living Wage and Employer's National Insurance from April 2025, but with effective management of our finances we remain confident that our services will continue to thrive during the coming year.

With regard to the quality of care provided by Sheffcare Limited (hereafter "Sheffcare") as assessed by the Sheffield Integrated Commissioning Board (ICB) and the Care Quality Commission (CQC), our homes continue to be highly regarded by both bodies, with the CQC rating eight (of nine) homes as 'Good', with one (one of our oldest homes) as requiring improvement. We have work to do over the coming year to continue to improve the quality of care such that all our homes are CQC rated as 'Good', and this is likely to require some focused investment.

During the coming year we will say goodbye to our longest-serving Trustee and Deputy Chairman, Carole Rainbird, who has dedicated more than nine years in the role and is therefore required by our Charitable mandate to stand down. Carole has been a steadfast influence in driving our commitment to care quality and compliance, and Chairs our Quality Committee in addition to being my Deputy. She is a regular visitor to our Homes and a real driving force for improvement and is going to be a very hard act to follow. She will be sorely missed. We will also therefore need to appoint a new Deputy Chair following her retirement from the Board.

At Sheffcare, we remain deeply committed to delivering the highest standards of person-centred care at an affordable cost. We recognise that the quality of our service depends on a dedicated, skilled, and motivated workforce. Supporting our staff continues to be a top priority, and we are focused on enhancing the ways in which we help them thrive in their roles.

Our staff team has always been – and continues to be – the heart of Sheffcare. Their compassion, resilience, and commitment to our residents are truly inspiring. We are extremely grateful to each and every one of them.

The calm, capable, and empathetic leadership of our CEO and her team, together with the insight, experience, and positive engagement of our Trustees, has been nothing short of outstanding. In the face of significant national and regulatory challenges, they have remained steady, forward-looking, and solutions oriented. Sheffcare is fortunate to benefit from such exemplary leadership, and I am truly thankful for all that they do.

Signed by:

Brian James

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Brian James, Chair

Date 27 November 2025

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in 2019.

Objectives and activities

a. Policies and objectives

Sheffcare offers a range of services across Sheffield, including residential care and specialist dementia support. These services are delivered from nine care homes throughout the city. We also run day centres from two of our homes.

As the largest not-for-profit social care provider in the area, Sheffcare holds a strong position in the local market. With over 30 years of experience, Sheffcare has a proud history of delivering high-quality care. This is consistently reflected in positive feedback from regulators, commissioners and regular surveys of residents, their families, and carers.

b. Our purpose

To be the best provider of person-centred care to the people of Sheffield and the surrounding area.

c. Our guiding principle

Putting people who use our services at the heart of everything we do.

d. Our values

Sheffcare is a charity aiming for everyone to have a good day every day through

- Kindness
- Dignity
- Respect
- Independence
- Choices

e. Public benefit

When setting goals and planning activities for the year, Sheffcare's Board of Trustees followed the Charity Commission's guidance on public benefit. They made sure that all planned work supports Sheffcare's mission to provide high-quality care services for people in Sheffield and the surrounding areas.

The trustees strongly believe that these services have made a real difference to residents and day centre users. This is backed up by positive feedback from residents, their families, staff, regulators and other stakeholders. By offering professional and compassionate care, Sheffcare has had a significant positive impact on local care services and helped improve the quality of life in the local community.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued) *FOR THE YEAR ENDED 31 MARCH 2025*

Structure, governance and management

a. Constitution

The Company is registered as a charitable company limited by guarantee with a share capital. Its governing document is the Memorandum and Articles of Association.

b. Appointment, induction and training of trustees

The Sheffcare Board regularly reviews the skills and experience it needs to make sure it can meet the charity's goals. Trustee positions are advertised openly to attract a wide range of applicants. If specialist skills are needed a recruitment consultant may be used to help find the right person.

New trustees are elected by the Board and placed on a committee that matches their skills and experience. New trustees receive key documents including the charity's governing document, the latest financial accounts and a Trustee Handbook.

As part of their induction new trustees are paired with an experienced trustee (a "buddy"), who is linked with one of Sheffcare's care homes, and have one-to-one meetings with the Executive Team.

c. Organisational structure and decision making

Sheffcare is overseen by a Board of Trustees, which meets at least six times a year, and is supported by three committees: Finance, Quality, and People. Day-to-day operations are led by the Chief Executive and a small executive team. Responsibility for the management of each care home is delegated to a Registered Manager.

d. Pay policy for senior staff

Sheffcare's executive team is made up of five people. Their pay is set by the Board of Trustees and reviewed every year. Salaries are based on what is typically paid for similar roles in the wider care sector. The Board aims to set pay at a level that helps attract, keep, and motivate skilled staff. This is always considered when deciding on pay levels and any increases.

e. Related party relationships

The charitable company Sheffcare Limited is the sole shareholder of Sheffcare Services Limited. Sheffcare Services Limited was formed to negotiate and manage publicly funded contracts. The company is not currently trading.

f. Engagement with employees (including disabled persons)

Sheffcare is committed to an active equal opportunities policy from recruitment and selection, incorporating training and development, appraisal and promotion, through to retirement for all employees. Including those with a disability. It is our policy to promote an environment free from discrimination, harassment and victimisation.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

g. Gender Pay Gap (GPG)

The GPG is based on the gross pay, per hour, for each employee during April (staff), and May (care), 2024. The hourly rate calculations are based on 86 male, and 410 female employees. The bonus calculations are based on 2 male, and 7 female employees.

Hourly rate

Difference in mean hourly rate of pay	0 %
Difference in median hourly rate of pay	0 %

Bonus pay

	Male	Female
Percentage of employees who received bonus pay	1.7 %	2.3 %
Difference in mean bonus pay		14 %
Difference in median bonus pay		0 %

Employees by pay quartile

	Male	Female
Upper quartile	20.2 %	79.8 %
Upper middle quartile	16.1 %	83.9 %
Lower middle quartile	17.7 %	82.3 %
Lower quartile	15.3 %	84.7 %

Strategic report

Achievements and performance

a. Operating environment

This year adult social care in England continued to face significant challenges, despite discussions about a National Care Service and long-term reform, progress remained slow and fragmented. Significant pressure has come from chronic underfunding of the sector along with increasing complexity of care needs, especially among people living with dementia and long-term conditions, who need more specialised support. Despite this challenging environment Sheffcare has maintained high occupancy, with an average of 94%.

While national funding shortfalls affected many providers, Sheffcare's **not-for-profit model** and strong local reputation helped us remain stable.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Sheffcare celebrated its **30th anniversary** in 2024, using the milestone to reflect on its values and renew its commitment to high-quality, community-based care.

The charity continued to adapt to sector changes by strengthening leadership, improving digital systems, and maintaining strong relationships with commissioners and families.

We continue to use technology to support our delivery of care. At Sheffcare we are continually developing how we use Person Centred Software (PCS) for electronic care plans, reporting functions and data analysis across the charity. We are actively involved in various projects across the homes; Adopt a Care Home, a published paper on Acoustic Story Telling, Dining with Dignity, Occupational Therapy student placements to enhance residents' quality of life, Brightside Music interactive events, Fitness and Wellbeing activities, Sheffcare Olympics.

b. People

Adult social care continues to face ongoing challenges recruiting and retaining staff across the sector. Our employee retention rate remains significantly higher than sector average and better than the two previous years, with turnover at 15% compared to a sector average of 24%. The number of vacancies we have at any one time averages between 10 – 15%. This means that our residents continue to be surrounded by familiar faces who know and understand their individual needs.

We have invested significantly in training and development for our senior team, with training for all our team leaders planned over the next few months. This has ensured that our leaders have up to date skills and knowledge for effective leadership.

Recognising the importance of training and development we have created our own Sheffcare Induction Program, which new team members will complete before starting work in the care home, ensuring that they have the knowledge and skills to quickly fit into the team.

We ended the year with 39 amazing volunteers, who give up their valuable time to enhance the wellbeing of our Residents. We are always grateful for the contribution they make to our charity.

Our Everyone Matters group is our staff forum, with representatives from all homes and teams meeting together to share ideas, raise issues and problem solve together. The group continues to suggest and drive changes and improvements in many aspects of our work.

c. Governance

This year we have conducted a skills audit of our Board, being mindful of succession planning, this has shaped a recruitment campaign for two new Trustees who joined Sheffcare in July 2025. Each trustee is matched with one or two homes and they visit up to 4 times a year.

d. Care Quality Commission (CQC)

The CQC regulate our services and either visit or assess remotely to ensure that we are adhering to the national minimum standards. CQC conducted a partial inspection of Midhurst in 2024 and the 'Good' rating was retained. The overall ratings of eight services out of nine have been rated as 'Good'. We have strengthened our Quality, Care and Dementia Plan, Quality Audits and Assurance Framework and are working towards retaining and achieving, 'Good' CQC ratings. We are active members of Skills for Care Registered Managers Network and Quality Network Forum. The National Care Forum membership links into CQC forums and updates, which we proactively attend.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

e. Achievements**Quality & Dementia strategies**

In 2024, Sheffcare continued to prioritise the wellbeing of residents and their families. We developed clear roadmaps to guide our quality and dementia strategies over the next three years. Key initiatives include:

- Collaborating with residents to update the Dementia Charter
- Maximising participation in dementia-related research
- Enhancing quality dashboards to support continuous improvement

We are also expanding our use of Person Centred Software (PCS) to improve electronic care planning, reporting, and data analysis across the organisation. Staff training, drop-in sessions and new user guides have led to more detailed and accurate care records.

Dementia excellence

We are committed to building on our high standards of dementia care. This year we introduced Dementia Care Mapping, a well-established approach that helps us understand the lived experience of residents and improve their quality of life.

To further our commitment we are working with the National Dementia Care Accreditation Scheme, which assesses our homes based on:

- Person-centredness
- Care environment
- Team approach and culture

These efforts support our goal of achieving Centre of Excellence standards across all homes.

Dementia Awareness

Our Dementia & Wellbeing Manager, Kathryn Rawling, has launched regular Dementia Awareness sessions across all Sheffcare homes. These free sessions offer families and friends a welcoming space to learn about dementia and how best to support their loved ones.

Quality standards in care

We have conducted a wide range of audits to ensure we continue to meet and exceed the highest standards:

- Quality audits
- Kings Fund Enhanced Healing Environment audits
- Dining experience audits
- Laundry audits
- Safeguarding audits
- MUST (Malnutrition Universal Screening Tool) audits
- Audits of staff 1:1s

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Focus on reducing falls

We are pleased to report a 28% reduction in falls since April, thanks to targeted prevention strategies and the dedication of our care teams.

Football and the community

Recognising the importance of football in many residents' lives, we partnered with memory groups at Sheffield United and Sheffield Wednesday football clubs. Monthly sessions at Bramall Lane and Hillsborough have provided meaningful engagement for residents, including those living with dementia.

A highlight was resident Peter Philips, a lifelong Sheffield United fan, who attended a session with his family. Despite his frailty, Peter found the experience uplifting and engaging. His family shared that it helped create new memories and encouraged greater mobility and wellbeing.

Making It Real – supporting wellbeing

We introduced Making It Real meetings to give residents a voice in shaping their care. These open forums have already led to positive changes and will continue throughout 2025 to ensure everyone feels heard and valued.

Intergenerational connections

Visits from children and young people have brought joy and purpose to our residents. Through partnerships like Adopt a Care Home and The Sheffield Nurseries at Sheffield College, we've built strong intergenerational connections that benefit both residents and young visitors.

Sheffcare Olympics – celebrating 30 years

To mark our 30th anniversary all nine care homes came together for the Sheffcare Olympics at the Sheffield Institute of Sport. In partnership with Motion, residents and staff enjoyed inclusive games focused on fun, fitness, and community spirit.

Other highlights

- Acoustic Storytelling and Dining with Dignity projects enriched daily life across our homes.
- Residents enjoyed a wide range of fitness and wellbeing activities, supported by Occupational Therapy students and Brightside Music events.
- Midhurst Road received a positive CQC inspection, rated "Good" in all five key areas. The report praised staff for their dedication, teamwork and resident-centred care.
- In February 2025, Kathryn Rawling won the Excellence Award for Residential and Nursing Homes at the Sheffield Cares Excellence Awards.
- Knowle Hill opened its own pub, the Knowlers Return, offering a warm and social space for residents to relax and connect.

Resident and family feedback (2024 Survey)

- 100% of residents said: *"This home is a safe and secure place to live."*
- 98% said: *"Staff treat me with kindness, dignity and respect."*
- 99% said: *"Staff understand me as an individual."*
- 99% said: *"I am happy with the care and support I receive."*
- 99% of relatives would recommend Sheffcare to others.
- 100% of visiting professionals described staff as *"dignified, caring, and respectful."*

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Risk management

The Executive Team and Board of Trustees regularly review Sheffcare's risk register to identify the main risks the charity faces. They make sure that proper systems are in place to reduce or manage these risks. The key risks and the steps taken to address them are outlined below.

1. CQC compliance failure

We have a quality assurance framework, overseen and led by our Director of Quality and Care, that is designed to meet the Care Quality Commission (CQC) standards. This helps ensure consistent, high-quality care across all areas of Sheffcare's work. Our systems are regularly reviewed to make sure they continue to meet requirements. Oversight of this work is provided by our Quality Committee. We also regularly engage external experts to audit our services and make recommendations for improvements and developments.

2. Inability to meet the rising needs and changing demands of service users

We regularly review the quality of our services and monitor incident reports to spot trends, identify issues, and take corrective action. This work is overseen by our Quality Committee. We also stay in close contact with commissioners to share updates, raise concerns, and respond to changing needs.

3. Major asset failures

Many of our care homes have older mechanical, electrical, and engineering systems, which increases the risk of breakdowns. To reduce this risk, we follow a strict schedule of inspections and maintenance, and we have a backup plan in place for replacing any failed equipment.

There is also a risk of major incidents, such as flooding or fire, at any of our homes. If this happens, we will activate our Business Continuity Plan. Managers and central support staff are well-prepared and know exactly what steps to take in response to such events.

4. SYPA scheme deficit

Whilst the South Yorkshire Pension Authority fund is in surplus at 31 March 2025, a significant deficit could have a major financial impact on the business when the last employee, who is part of that scheme, leaves Sheffcare. At 31 March 2025 we have 7 remaining staff in the scheme. On 30 September 2025 the charity exited the pension fund as detailed in note 24.

5. Funding risks

Around two thirds of our residents are funded by our Local Authority, Sheffield City Council. Local Authorities are experiencing huge funding pressures which impact their ability to pay the fair cost of care. Despite strong relationships with the council as a partner we recognise that these financial pressures are growing and have a major impact on our ability to reinvest in our homes and our care.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Financial review**a. Results for the year**

As shown in the Statement of Financial Activities on page 17, total income in the year amounted to £17,444,296 (2024: £14,992,926) and our total expenses amounted to £16,473,566 (2024: £14,793,433) resulting in a pre-pension adjustment operating surplus of £970,730 compared to a surplus of £199,493 in 2024. Staff costs during the year amounted to 69% of income, of which 66% is Care and 3% Administration (2024: Care 68%, Administration 4%).

During the year average occupancy levels were 94% (2024: 88%).

There was an actuarial gain on the defined benefit pension scheme of £1,957,000 (2024: gain of £774,000). The overall surplus for the year was £2,927,730 (2024: surplus £973,493).

Total funds carried forward at 31 March 2025 were £14,222,237 (2024: £11,294,507) of which £14,029,725 (2024: £11,088,391) are unrestricted and £192,512 (2024: £206,116) are restricted.

b. Pension scheme

The charity provides a defined benefit pension scheme available to certain employees. This pension benefit is provided by the charity's contribution to the South Yorkshire Pension Authority Scheme (SYPA). As a result of the fund performing exceptionally well again this year the charity's scheme is in surplus as detailed in note 21.

Under the provisions of FRS102, the charity is required to recognise the surplus within its balance sheet, if certain criteria are met. The reported FRS102 pension benefit this year is showing a surplus of £5,252,000 compared to a surplus of £3,127,000 in 2024. This movement is principally driven by the actuarial gain on the plan assets and liabilities amounting to £1,957,000 during the period.

The asset is, of course, a statement of the theoretical pension asset of the Charity at the balance sheet date based upon current assumptions of future discount rates; future discount salary and pension increases and inflation.

The trustees have received information from the schemes actuaries regarding the surplus and following FRS102 a pension scheme surplus should only be recognised to the extent that the surplus can be recovered through reduced future contributions or through refunds from the plan. The Charity is unable to quantify the period over which any benefit will accrue from the defined benefit pension scheme asset however expects to contribute £nil in additional contributions and £34,816 in regular contributions in 2025-26.

The pension surplus is shown separately within unrestricted funds for charity.

c. Reserves policy

The charity's reserves policy has been reviewed by the trustees in the year, and it has been agreed that the risk based approach to reserves is appropriate.

The main area of financial risk for the organisation continues to be that of a fall in occupancy levels. The trustees have set a reserves policy amount 5% below the prevailing break-even position. Budgets have been prepared for the financial year 2025-26 which forecast that the occupancy level at the break-even position is 87%. Another area of financial risk is that of significant asset failure. The trustees have therefore increased the contingency to cover un-budgeted capital and project expenditure to reflect this.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Utilising the outputs from the budgets and other risk registers to identify the impact of the financial risks, whilst also factoring in the suggested level of Board approved Designated Funds. The Reserves Target for 2024-25 was as follows:

Maximum annual cash impact of beds fees falling 5% below current break-even levels	£974,881
Contingency to cover un-budgeted capital and project expenditure (standard)	£200,000
Board Approved Designated Funds (reviewed annually)	£100,000
Free Reserves Target – March 2025	<u>£1,274,881</u>

The value of free unrestricted reserves at 31 March 2025 is £1,093,898 (2024: £1,361,517) and comprises;

Unrestricted general reserves (excl. designated funds and the pension deficit)	£8,677,625
Fixed assets funded by unrestricted funds	(£8,856,703)
Associated bank loans	<u>£1,272,976</u>
Total free reserves	<u>£1,093,898</u>

The performance for the year shows a deficit of £180,983 on the free reserves target as set out in the adopted Reserves Policy above. While the trustees acknowledge that the year-end free reserves are below target, they are confident that reserve levels can continue to grow in the mid to long term due to sustained, higher occupancy levels. The non-standard elements are to be reviewed annually in-line with the budget approval process.

A summary of reserves at 31 March 2025 is:

	£
Designated	100,000
Unrestricted (Including Share Capital)	8,677,725
Pension	5,252,000
Restricted	<u>192,512</u>
Total Reserves	<u>14,222,237</u>

Trustees' interests

None of the trustees who held office at the end of the financial year had any interest in the charitable company.

Liability insurance

Insurance for trustees and officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is in place. The cost of maintaining liabilities insurance during the year amounted to £1,811 (2024: £2,375).

Employees and volunteers

The charitable company has a policy of offering employment / volunteering opportunities to persons with disabilities, where possible, as part of our overall equal opportunities policy.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued) *FOR THE YEAR ENDED 31 MARCH 2025*

Strategy and future plans - summary

The Trustees agreed a new three year strategy 2025 – 2028 with five strategic aims:

Strategic aim 1: Exceptional person-centred care

We are committed to enhancing the well-being, dignity, and independence of every resident through:

- Culture of Kindness
- Dementia Care Excellence
- Quality Services and Continuous Improvement
- Meaningful Activities
- User Voice
- Good Quality Food
- Community Connections
- Assistive Technology

Strategic aim 2: Safe, comfortable, and welcoming homes

We will improve our homes to provide safe, comfortable, and dementia-friendly environments, including:

- Refurbishment of Facilities
- Freedom of Choice and Control for Residents
- Outdoor Spaces and Gardens

Strategic aim 3: A place that people choose to work and volunteer:

To foster a positive work environment, Sheffcare will focus on:

- Recruitment & Retention
- Training & Development
- Effective Leadership
- Recognition and Reward

Strategic aim 4: Community engagement and collaboration

We will deepen our collaboration with local communities and research initiatives, focusing on:

- Academic Research and Projects
- Collaboration with Partners

Strategic aim 5: Fit for now and the future

To ensure Sheffcare's long-term success, we will focus on:

- Financial Sustainability
- Governance and Data Management
- Environmental Sustainability

Fundraising statement

In the financial year the Charity did not actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities in its own right or via a trading subsidiary or third party. The trustees were though pleased to receive unsolicited gifts from relatives and local businesses who generously support our residents comfort fund. We were grateful to receive restricted grants from Coop Local Community Fund, NHS Business Authority, Nobi Smart Lamp Solutions & South Yorkshire Fire & Rescue.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2025

Trustees' responsibilities statement

The trustees (who are also directors of Sheffcare Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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.


Auditor

In so far as the trustees are aware:

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

The auditor, MCABA Limited t/a Mitchells, have indicated their willingness to continue in office, subject to approval by the members at the AGM.

This report incorporating the Strategic Report was approved by the trustees on 27 November 2025 and signed on their behalf by:

Signed by:

9B1E1C0C5971458...
Brian James
Chair

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

Opinion

We have audited the financial statements of Sheffcare Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- 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's 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 trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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:

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charitable company and the sector in which they operate. We determined that the following laws and regulations were most significant; the Companies Act 2006, Charities Act 2011, Charities SORP (FRS 102), Health and Social Care Act 2012 and Care Quality Commission (Registration) Regulations 2009.
- We obtained an understanding of how the group and charitable company are complying with those legal and regulatory frameworks by making inquiries to relevant members of the management team. We corroborated our inquiries through our review of board minutes and inquiry into legal fees incurred in the year.
- We assessed the susceptibility of the group and charitable company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying the controls management has in place to prevent and detect fraud and assessing the operation of these controls
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process
 - Performed analytical procedures to identify any unusual or unexpected variances
 - Identifying and testing journal entries, in particular any journal entries that were large or unusual in nature
 - Assessing the extent of compliance with the relevant laws and regulations governing the company and the sector it operates within. This included a review of any potential breaches during and since the year end
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Agreeing financial statement disclosures to underlying supporting documentation

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

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:



Jane Boulton (Senior Statutory Auditor)

For and on behalf of
MCABA Limited t/a Mitchells
Chartered Accountants & Statutory Auditor
91-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

27 November 2025
Date.....

SHEFFCARE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	2	200	6,457	6,657	7,554
Charitable activities	3	17,189,103	170,763	17,359,866	14,941,445
Investments	4	77,773	-	77,773	43,927
Total income		17,267,076	177,220	17,444,296	14,992,926
Expenditure on:					
Raising funds	5	15,831	-	15,831	15,731
Charitable activities					
Charitable activities – Ongoing	5	16,266,911	190,824	16,457,735	14,777,702
Total Expenditure		16,282,742	190,824	16,473,566	14,793,433
Net income/(expenditure) before other recognised gains and losses					
		984,334	(13,604)	970,730	199,493
Actuarial gains on defined benefit pension schemes	21	1,957,000	-	1,957,000	774,000
Net movement in funds		2,941,334	(13,604)	2,927,730	973,493
Reconciliation of funds:					
Total funds brought forward as previously stated		11,088,391	206,116	11,294,507	10,321,014
Net movement in funds		2,941,334	(13,604)	2,927,730	973,493
Total funds carried forward	16	14,029,725	192,512	14,222,237	11,294,507

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	10		8,975,485		9,121,289
Current assets					
Debtors	12	861,012		991,000	
Cash at bank and in hand	19	2,602,474		2,646,627	
		3,463,486		3,637,627	
Creditors: amounts falling due within one year	13	(2,430,769)		(3,327,858)	
Net current assets			1,032,717		309,769
Total assets less current liabilities			10,008,202		9,431,058
Creditors: amounts falling due after more than one year	14		(1,037,965)		(1,263,551)
Net assets excluding pension scheme assets			8,970,237		8,167,507
Defined benefit pension scheme surplus/(deficit)	21		5,252,000		3,127,000
Net assets			14,222,237		11,294,507
Charity funds					
Restricted funds	16		192,512		206,116
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	8,777,625		7,961,291	
Unrestricted funds excluding pension liability		8,777,725		7,961,391	
Pension reserve	16	5,252,000		3,127,000	
Total unrestricted funds			14,029,725		11,088,391
Total funds			14,222,237		11,294,507

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Signed by:

Brian James

9B1E1C0C5971458...

Brian James, Chair

Date: 27 November 2025

The notes on pages 23 to 45 form part of these financial statements.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET
AS AT 31 MARCH 2025

	Note	£	2025 £	£	2024 £
Fixed assets					
Tangible assets	10		8,975,485		9,121,289
Investment in subsidiary	11		<u>1</u>		<u>1</u>
			8,975,486		9,121,290
Current assets					
Debtors	12	861,206		991,168	
Cash at bank and in hand	19	<u>2,602,461</u>		<u>2,646,619</u>	
		3,463,667		3,637,787	
Creditors: amounts falling due within one year	13	<u>(2,430,769)</u>		<u>(3,327,858)</u>	
Net current assets			<u>1,032,898</u>		<u>309,929</u>
Total assets less current liabilities			10,008,384		9,431,219
Creditors: amounts falling due after more than one year	14		<u>(1,037,965)</u>		<u>(1,263,551)</u>
Net assets excluding pension scheme liabilities			8,970,419		8,167,668
Defined benefit pension scheme surplus/ (deficit)	21		<u>5,252,000</u>		<u>3,127,000</u>
Net assets including pension scheme liabilities			<u>14,222,419</u>		<u>11,294,668</u>
Charity funds					
Restricted funds	16		192,512		206,115
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	<u>8,777,807</u>		<u>7,961,453</u>	
Unrestricted funds excluding pension liability		8,777,907		7,961,553	
Pension reserve	16	<u>5,252,000</u>		<u>3,127,000</u>	
Total unrestricted funds			<u>14,029,907</u>		<u>11,088,553</u>
Total funds			<u>14,222,419</u>		<u>11,294,668</u>

SHEFFCARE LIMITED

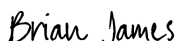
REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The surplus for the year is £2,927,751.

The financial statements were approved and authorised for issue by the Trustees on 27 November 2025 and signed on their behalf, by:

Signed by:



9B1E1C0C5971458
Brian James, Chair

The notes on pages 23 to 45 form part of these financial statements.

SHEFFCARE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by operating activities	18	1,763,659	874,897
Cash flows from investing activities:			
Interest received		77,773	43,927
Purchase of tangible fixed assets		(650,328)	(324,879)
Proceeds from sale of tangible fixed assets		-	-
Net cash used in investing activities		(572,555)	(280,952)
Additional borrowings		-	-
Repayments of borrowings		(1,235,257)	(106,817)
Net cash provided by financing activities		(1,235,257)	(106,817)
Change in cash and cash equivalents in the year		(44,153)	487,128
Cash and cash equivalents brought forward		2,646,627	2,159,499
Cash and cash equivalents carried forward	19	2,602,474	2,646,627

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies**1.1 Company status**

The charitable company is a company limited by guarantee with share capital. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.2 Basis of preparation of financial statements

Sheffcare Limited is a charitable company in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are on page 3 of these financial statements.

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), and the Companies Act 2006.

Sheffcare Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The subsidiary undertaking has taken exemption from audit as a guarantee has been given by Sheffcare Limited under S479C of the Companies Act 2006 which guarantees all outstanding liabilities to which the subsidiary entity is subject at the year end.

The charity has taken advantage of the exemption allowed under section 408 of the Companies act 2006 and has not presented its own statement of financial activities or cash flow statement in these financial statements. The surplus for the Charity is £2,927,751.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)***Fund accounting (continued)***

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

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

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for a specific purpose but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)
1.6 Redundancy payments

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Charity recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred by the company in relation to providing residential care, respite care and specialist care services including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at purchase cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property and renovations	-	5 - 50 years
Leasehold property and renovations	-	5 - 50 years
Motor vehicles	-	4 years
Fixtures and fittings	-	4 years

1.9 Interest receivable

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

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)**1.10 Investments**

Investments in subsidiaries are valued at cost.

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Pension costs

The charity contributes to a pension scheme operated by The South Yorkshire Pension Authority providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

A pension scheme deficit is recognised in full. A pension scheme asset is only recognised to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. In the opinion of the trustees, a pensions scheme asset should be recognised as the Charity expects to contribute £nil in additional contributions and £34,816 in regular contributions in 2025-26.

The movement in the scheme asset or deficit is split between operating charges, finance items and actuarial gains and losses. Further details regarding the scheme are disclosed in note 21.

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the SOFA in the year they are payable.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)**1.15 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Taxation

The 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 company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 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.

1.17 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.18 Critical accounting estimates and areas of judgment

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

Critical accounts estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The following estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are set out below.

South Yorkshire Pension Fund:

The present value of the South Yorkshire defined benefit pensions asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the asset/liability. The detailed assumptions for this and the prior year are disclosed in note 21.

Property:

The carrying value of property and annual impairment reviews are subject to assessment involving estimates on future occupancy and state of repair of the properties.

Support costs:

Some costs incurred by the Charity such as IT, insurance, and postage are shared between activities. The Charity's policy is to allocate these costs on the basis of assessed consumption. This includes allocation between funds which are material by nature.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)

1.19 Operating leases

Lease payments are recognised as an expense over the lease term on a straight line basis.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	200	6,457	6,657	7,554
<i>Total 2024</i>	<u>-</u>	<u>7,554</u>	<u>7,554</u>	

3. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Residential bed fees	17,024,806	-	17,024,806	14,524,618
Private day care	135,768	-	135,768	136,613
Grant income	-	155,875	155,875	231,203
Other income	28,529	14,888	43,417	49,011
	17,189,103	170,763	17,359,866	14,941,445
<i>Total 2024</i>	<u>14,685,282</u>	<u>256,163</u>	<u>14,941,445</u>	

4. Investment income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Interest received	77,773	-	77,773	43,927
<i>Total 2024</i>	<u>43,927</u>	<u>-</u>	<u>43,927</u>	

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5. Analysis of expenditure by expenditure type

	Staff costs 2025 £	Depreciation & Disposals 2025 £	Other costs 2025 £	Total 2025 £	Total 2024 £
Costs of raising funds					
Advertising and publicity	-	-	15,830	15,830	15,731
	-	-	15,830	15,830	15,731
Charitable activities					
Operation of care homes	11,971,248	796,133	3,580,246	16,347,627	14,701,532
Expenditure on governance costs (note 6)	54,675	-	55,434	110,109	76,170
	12,025,923	796,133	3,651,510	16,473,566	14,793,433
<i>Total 2024</i>	10,712,521	810,357	3,270,555	14,793,433	

Other costs

	2025 £	2024 £
Direct costs		
Premises	1,557,176	1,198,410
Provisions	921,640	831,080
Other resident costs	318,504	295,969
Other staff costs	91,572	96,457
Sub-total	2,888,892	2,421,916
Support costs		
Miscellaneous	47,268	58,519
Auditor's remuneration	19,200	18,300
Legal & professional	36,234	10,580
Office costs	662,593	656,964
Interest	131,492	194,815
Net pension financing cost/(income) (note 9)	(150,000)	(106,000)
Advertising and publicity	15,831	15,731
Sub-total	762,618	848,639
Total	3,651,510	3,270,555

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

6. Governance costs

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Auditor's remuneration	19,200	-	19,200	18,300
Legal & professional	36,234	-	36,234	10,580
Wages and salaries	54,675	-	54,675	47,290
	110,109	-	110,109	76,170

7. Net income/ (expenditure)

This is stated after charging:

	2025	2024
Depreciation of tangible fixed assets:		
- depreciation	795,508	808,300
- loss on disposals	624	2,057
Auditor's remuneration – audit	19,200	18,300

During the year, no Trustees received any remuneration (2024: £NIL).

During the year, no Trustees received any benefits in kind (2024: £NIL).

1 Trustee received reimbursement of expenses amounting to £393 in the current year, (2024: 1 Trustee - £389) in relation to travel expenses.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. Staff costs

Staff costs were as follows:

	2025	2024
	£	£
Wages and salaries	10,159,802	9,202,805
Social security costs	759,688	666,641
Other pension costs	247,259	252,022
	11,166,749	10,121,468
Agency costs	859,174	591,053
Total	12,025,923	10,712,521

The average number of persons (full time and part-time) employed by the company during the year was as follows:

	2025	2024
	No.	No.
Care Services	512	469
Management and administration of the charity	28	27
	540	496

The number of higher paid employees was:

	2025	2024
	No.	No.
In the band £90,001 - £100,000	1	0
In the band £80,001 - £90,000	0	1
In the band £70,001 - £80,000	0	0
In the band £60,001 - £70,000	2	2

The key management personnel of the parent charity, comprise the trustees, the Chief Executive Officer, Director of Finance, Care and Operations Director/Deputy Chief Executive Officer, Director of HR, Director of Facilities and Director of Quality. During the year the key management personnel costs including employer's pension and NI were £424,714 (2024: £410,669).

At the year end, pension contributions outstanding amounted to £5,660 (2024: £7,819).

9. Other finance expense / income

	2025	2024
	£	£
Interest income on pension scheme assets	998,000	954,000
Interest on pension scheme liabilities	(848,000)	(848,000)
	150,000	106,000

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

10. Tangible fixed assets

Group & Charity

	Freehold property & renovations £	Leasehold property & renovations £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 April 2024	4,115,670	9,027,406	51,360	1,838,729	15,033,165
Additions	36,010	52,644	123,000	438,674	650,328
Disposals	-	-	-	(128,208)	(128,208)
At 31 March 2025	4,151,680	9,080,050	174,360	2,149,195	15,555,285
Depreciation					
At 1 April 2024	792,659	3,684,239	51,360	1,383,618	5,911,876
Charge for the year	214,287	298,701	15,687	266,833	795,508
Disposals	-	-	-	(127,584)	(127,584)
At 31 March 2025	1,006,946	3,982,940	67,047	1,522,867	6,579,800
Net book value					
At 31 March 2025	3,144,734	5,097,110	107,313	626,328	8,975,845
At 31 March 2024	3,323,011	5,343,167	-	455,111	9,121,289

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

11. Fixed asset investments

	Investments in subsidiary companies	Total
	£	£
Charity		
Cost or valuation		
At 1 April 2024	1	1
Additions	-	-
Disposals	-	-
Revaluations	-	-
At 31 March 2025	1	1
Net book value		
At 31 March 2025	1	1
At 31 March 2024	1	1

Principal subsidiaries

The following was a subsidiary undertaking of the charity which has been consolidated in the group financial statements:

Name	Company number	Principal activity	Class of shares	Holding
Sheffcare Services Limited	13240691	Non trading	Ordinary	£1

The financial results of the subsidiary for the year were:

	Income	Expenditure	Profit / loss	Net assets
	£	£	for the year	£
			£	
Sheffcare Services Limited	-	21	(21)	(182)

The charity holds 1 Ordinary share of £1 in its wholly owned trading subsidiary company Sheffcare Services Limited which is incorporated in the England and Wales. These are the only shares allotted, called up and fully paid.

Subsidiary exemption from audit

The subsidiary listed above has claimed exemption from audit for their individual financial statement under S479A of the Companies Act 2006.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

12. Debtors

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Trade debtors	282,149	624,480	282,149	624,480
Prepayments and accrued income	430,953	300,855	430,953	300,855
Other debtors	147,910	65,665	148,104	65,833
	861,012	991,000	861,206	991,168

13. Creditors: Amounts falling due within one year

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Bank loans and overdrafts (note 14)	235,011	1,244,682	235,011	1,244,682
Trade creditors	463,001	313,710	463,001	313,710
Other creditors	409,650	534,140	409,650	534,140
Accruals and deferred income	1,323,107	1,235,326	1,323,107	1,235,326
	2,430,769	3,327,858	2,430,769	3,327,858

Included within deferred income are bed fees received in advance as follows:

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
<i>Deferred income</i>				
Deferred income at 1 April 2024	520,781	518,179	520,781	518,179
Resources deferred during the year	604,393	520,781	604,393	520,781
Amounts released from previous years	(520,781)	(518,179)	(520,781)	(518,179)
Deferred income at 31 March 2025	604,393	520,781	604,393	520,781

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. Creditors: Amounts falling due after more than one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Bank loans	1,037,965	1,263,551	1,037,965	1,263,551

Included within the above are amounts falling due as follows:

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
<i>Less than one year</i>				
Bank loans	235,011	1,244,682	235,011	1,244,682
<i>Between one and two years</i>				
Bank loans	235,011	235,011	235,011	235,011
<i>Between two and five years</i>				
Bank loans	802,954	1,028,540	802,954	1,028,540
Total	1,272,976	2,508,233	1,272,976	2,508,233

The bank loans are secured by way of debenture over the assets held by the company. A legal charge is also held on the freehold and leasehold land and buildings. The group pays a margin of 2.10% plus base rate on its bank loans, with a re-payment profile of 6 years.

15. Share capital

Group & Charity

	2025 £	2024 £
<i>Authorised, allotted, called up and fully paid</i>		
100- Ordinary shares of £1 each	100	100

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds
Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
<i>Designated funds</i>						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
<i>General funds</i>						
General unrestricted funds	7,861,452	17,267,076	(16,450,721)	-	-	8,677,807
General – trading subsidiary	(161)	-	(21)	-	-	(182)
Share capital	100	-	-	-	-	100
Pension reserve	3,127,000	-	168,000	-	1,957,000	5,252,000
	10,988,391	17,267,076	(16,282,742)	-	1,957,000	13,929,725
Total Unrestricted funds	11,088,391	17,267,076	(16,282,742)	-	1,957,000	14,029,725
<i>Restricted funds</i>						
Comfort funds	92,752	21,344	(40,447)	-	-	73,649
Grant Income - Infection Prevention Control	56,504	-	(56,504)	-	-	-
Grant Income – South Yorkshire Fire & Rescue	56,780	100,000	(37,997)	-	-	118,783
Grant Income – NHS Business Authority	-	2,573	(2,573)	-	-	-
Grant Income – SCC COOP Local Community Fund	-	2,608	(2,608)	-	-	-
Grant Income – Nobi Smart Lamp Solution	-	50,695	(50,695)	-	-	-
Other	80	-	-	-	-	80
	206,116	177,220	(190,824)	-	-	192,512
Total of funds	11,294,507	17,444,296	(16,473,566)	-	1,957,000	14,222,237

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds (continued)

Statement of funds – prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
General funds						
General unrestricted funds	7,645,287	14,729,209	(14,513,044)	-	-	7,861,452
General trading subsidiary	(88)	-	(73)	-	-	(161)
Share capital	100	-	-	-	-	100
Pension reserve	2,230,000	-	123,000	-	774,000	3,127,000
	9,875,299	14,729,209	(14,390,117)	-	774,000	10,988,391
Total Unrestricted funds	9,975,299	14,729,209	(14,390,117)	-	774,000	11,088,391
Comfort funds	102,559	32,414	(42,221)	-	-	92,752
Grant Income - Infection Prevention Control	168,753	-	(112,249)	-	-	56,504
Grant Income – South Yorkshire Fire & Rescue	74,403	-	(17,623)	-	-	56,780
Grant Income – SCC Local Area Committees	-	3,486	(3,486)	-	-	-
Grant Income – SCC MSIF	-	198,733	(198,733)	-	-	-
Grant Income – Sheffield Town Trust	-	3,000	(3,000)	-	-	-
Grant Income – Go Fund Me	-	484	(484)	-	-	-
Grant Income – NHS DSC	-	25,000	(25,000)	-	-	-
Grant Income – Ship Shape	-	500	(500)	-	-	-
Other	-	100	(20)	-	-	80
	345,715	263,717	(403,316)	-	-	206,116
Total of funds	10,321,014	14,992,926	(14,793,433)	-	774,000	11,294,507

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds (continued)

Designated funds

The Trustees have designated funds of £100,000 to cover any potential overspends on capital and project budgets during the course of the year.

Restricted funds

Comfort funds – this is fundraising undertaken at a home level with the purpose being that the funds are spent on items for the benefit of the residents.

Grant income received from South Yorkshire Fire & Rescue was to contribute 50% towards the cost of installing a sprinkler system at Grange Crescent.

Grant income received from NHS Business Authority (Workforce Development Fund) to contribute towards our employees adult social care learning and development.

Grant income received from Coop Local Community Fund to provide fun and fitness session to our residents, we did this by holding an Olympics day and additional fitness sessions at our homes.

Grant income received from Nobi Smart Lamp Solution to participate in the remote monitoring initiative by having Nobita smart lamp technology installed at Grange Crescent & Springwood.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. Statement of funds (continued)

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Designated funds	100,000	-	-	-	-	100,000
General funds	10,988,391	17,267,076	(16,282,742)	-	1,957,000	13,929,725
	11,088,391	17,267,076	(16,282,742)	-	1,957,000	14,029,725
Restricted funds	206,116	177,220	(190,824)	-	-	192,512
	11,294,507	17,444,296	(16,473,566)	-	1,957,000	14,222,237

Summary of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	100,000	-	-	-	-	100,000
General funds	9,875,299	14,729,209	(14,390,117)	-	774,000	10,988,391
	9,975,299	14,729,209	(14,390,117)	-	774,000	11,088,391
Restricted funds	345,715	263,717	(403,316)	-	-	206,116
	10,321,014	14,992,926	(14,793,433)	-	774,000	11,294,507

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

17. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	8,856,703	118,782	8,975,485
Current assets	3,389,756	73,730	3,463,486
Creditors due within one year	(2,430,769)	-	(2,430,769)
Creditors due in more than one year	(1,037,965)	-	(1,037,965)
Defined benefit scheme surplus/(deficit)	5,252,000	-	5,252,000
	14,029,725	192,512	14,222,237

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	9,008,006	113,283	9,121,289
Current assets	3,544,795	92,832	3,637,627
Creditors due within one year	(3,327,858)	-	(3,327,858)
Creditors due in more than one year	(1,263,551)	-	(1,263,551)
Defined benefit scheme surplus/(deficit)	3,127,000	-	3,127,000
	11,088,392	206,115	11,294,507

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net (expenditure)/ income for the year (as per Statement of Financial Activities)	970,730	199,493
Adjustment for:		
Depreciation charges	795,508	808,300
Pension scheme adjustment	(168,000)	(123,000)
Interest from investments	(77,773)	(43,927)
Loss on the sale of fixed assets	624	2,057
(Increase)/decrease in debtors	129,988	176,303
Increase/(decrease) in creditors	112,582	(144,329)
	1,763,659	874,897

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. Analysis of cash and cash equivalents

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Cash at bank and in hand	2,602,474	2,646,627	2,602,461	2,646,619
Total	2,602,474	2,646,627	2,602,461	2,646,619

20. Analysis of changes in net debt

	At 31 March 2024	Cash Flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	2,646,627	(44,153)	2,602,474
Bank loan (due in 1 year)	(1,244,682)	1,009,671	(235,011)
Bank loan (due in over 1 year)	(1,263,551)	225,586	(1,037,965)
Total	138,394	1,191,104	1,329,498

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

21. Pension commitments

The company operates a defined contribution pension scheme with NEST. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £203,335 (2024: £192,581).

The company also operates a defined benefit funded statutory pension scheme administered by the South Yorkshire Pensions Authority in accordance with the Local Government Pension Scheme Regulations 1995. A triennial actuarial valuation of this fund was last carried out in accordance with the Regulations as at 31 March 2022.

The principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages) were:

	2025	2024
Discount rate at 31 March	5.80%	4.80%
Future salary increases	3.40%	3.40%
Future pension increases	2.80%	2.80%

FRS102 requires the present value of pension liabilities to be calculated by discounting pension commitments, including salary growth, based on corporate bond yields. The FRS102 value of liabilities at March 2025 was £15,683,000 (2024: £18,097,000) and the market value of assets was £20,935,000 (2024: £21,224,000) giving a scheme surplus of £5,252,000 (2024: surplus £3,127,000).

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2025 £	Fair value at 31 March 2024 £
Equities	14,235,800	14,644,560
Government Bonds	4,396,350	4,457,040
Property	2,093,500	1,910,160
Cash	209,350	212,240
Total market value of assets	<u>20,935,000</u>	<u>21,224,000</u>

The actual return on scheme assets was a gain of £538,000 (2024 gain: £1,573,000).

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

21. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2025 £	2024 £
Current service cost	(44,000)	(59,000)
Interest on obligation	(848,000)	(848,000)
Expected return on scheme assets	998,000	954,000
Administration expenses	-	-
	<hr/>	<hr/>
Total	106,000	47,000

Movements in the present value of the defined benefit obligation were as follows:

	2025 £	2024 £
Opening defined benefit obligation	18,097,000	18,288,000
Current service cost	44,000	59,000
Interest cost	848,000	848,000
Contributions by scheme participants	12,000	16,000
Actuarial (gains)/losses	(2,417,000)	(155,000)
Benefits paid	(901,000)	(959,000)
	<hr/>	<hr/>
Closing defined benefit obligation	15,683,000	18,097,000

Changes in the fair value of scheme assets were as follows:

	2025 £	2024 £
Opening fair value of scheme assets	21,224,000	20,518,000
Expected return on assets	998,000	954,000
Actuarial gains and (losses)	(460,000)	619,000
Contributions by employer	62,000	76,000
Contributions by scheme participants	12,000	16,000
Administration expenses	-	-
Benefits paid	(901,000)	(959,000)
	<hr/>	<hr/>
	20,935,000	21,224,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was a gain of £1,957,000 (2024: Gain £774,000).

The company expects to contribute £nil in additional contributions and £34,816 in regular contributions in 2025-26 to its defined benefit pension scheme.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

21. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2025	2024
	£	£
Defined benefit obligation	(15,683,000)	(18,097,000)
Scheme assets	20,935,000	21,224,000
	5,252,000	3,127,000
Surplus/(deficit)	5,252,000	3,127,000
Experience adjustments on scheme liabilities – Surplus/(deficit)	2,417,000	155,000
Experience adjustments on scheme assets – Surplus/(deficit)	(460,000)	619,000
Total actuarial gains on defined benefit pension scheme	1,957,000	774,000

22. Operating lease commitments

At 31 March 2025 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2025	2024
	£	£
Amounts payable:		
Within 1 year	-	46,404
Between 2 to 5 years	-	1,426
Total	-	47,830

Lease payments of £42,504 (2024: £74,609) have been recognised as an expense in the statement of financial activities.

23. Related party transactions

The charitable company owns 100% of its subsidiary Sheffcare Services Limited. Recoverable VAT from the subsidiary amounting to £194 has been recharged to the parent company in prior years and this amount remained outstanding at the year end (2024: £167).

24. Events after the end of the reporting period**Defined benefit pension scheme**

On 30 September 2025 the charity exited the South Yorkshire Pension Fund, which is part of a Local Government Pension Scheme. The ultimate financial impact of exit on the charity is as yet unknown, and an actuarial calculation will be undertaken to determine the final funding position relating to the charity as at the date it left the fund. At the point of exit and after determination of the final funding position, Sheffcare Limited will no longer have any future liabilities or obligations relating to pension arrangements under the scheme.

SHEFFCARE LIMITED

England & Wales - Charity number 1054227

Accounts

Registered number: 02538734
Charity number: 1054227

SHEFFCARE LIMITED
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

SHEFFCARE LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees & Directors

David Johnson, Chair (resigned 23 November 2023)
Brian James, Chair (from 23 November 2023)
Simon Bladen (appointed 5 October 2023)
Robert Chamberlain (appointed 25 May 2023)
John Fuller
Philip Joddrell (appointed 25 January 2024)
Carole Rainbird
Sarah Smith (resigned 6 June 2023)
Scott Sanderson (resigned 5 October 2023)
Andrea Simpson (appointed 23 February 2024)
Valarie Wightman

Company registered number

02538734

Charity registered number

1054227

Registered office

Springwood House, 192 Penrith Road, Sheffield, S5 8UG

Chief executive officer

Claire Rintoul

Senior management team

Sarah Stapleton, Director of Finance
Tracey Payne, Care and Operations Director/Deputy Chief Executive Officer
Merewyn Scafe, Director of HR
John Dawson, Director of Facilities
Louise Beaumont, Director of Quality

Independent auditor

MCABA Limited t/a Mitchells, 91-97 Saltergate, Chesterfield, S40 1LA

Bankers

Barclays Bank, 1, St. Paul's Place, 121 Norfolk Street, Sheffield, S1 2JW

Solicitors

Hemingways Solicitors Limited, 11 Westbourne Road, Sheffield, S10 2QQ

SHEFFCARE LIMITED

CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Hello and welcome to our annual report for the year 2023-2024.

The past year has seen several significant changes to the Board and Senior Management Team at Sheffcare Limited (hereafter "Sheffcare"). We say goodbye to our Chairman David Johnson following over 8 years' service on the board, we extend our heartfelt appreciation for his stewardship of the Charity during his time at Sheffcare. We also said goodbye to Scott Sanderson, our Deputy Chair who had completed his term of office, as well as Sarah Smith and we are grateful to them all for their service as Trustees.

Accordingly we appointed a number of new Trustees who bring vital skills to the Board including Simon Bladen (Financial Services), Rob Chamberlain (Education and Training), Phil Jodrell (Researcher with a special interest in Alzheimer's) and Jane Simpson (HR Consultant). Carole Rainbird, a long-standing and experienced Sheffcare Trustee accepted the role of Deputy Chair and, with the support of my fellow Trustees, I accepted the position of Chair for a 3 year term, which I consider to be a great honour.

We are also saying goodbye and thank you to Tracey Payne this summer, our long-standing Director of Operations who is retiring after some 42 years of loyal service, and we welcome Louise Beaumont as Director of Quality.

These changes stimulated a reset of the Board and the strengthening of our processes and committees (Finance, Quality and People) that provide oversight and scrutiny of the Charity's performance, and which underpin good governance.

From a financial perspective, the Charity has continued to see a return to more normal operating conditions following the pandemic and cost of living crisis; Our occupancy levels, which are vital to our financial stability and our plans to make our homes better, finally returned to pre-pandemic levels. Much credit for that must go to our Executive Team and the efforts of our Registered Managers in facilitating early discharges from the NHS, and the positive consequences that flow from this for those needing hospital admission.

As we move into the next financial year, and despite political uncertainty, we have identified an opportunity to reduce our outstanding loans and (therefore interest payments), which will allow us to invest in other aspects of care delivery that are essential to maintaining our high quality services. Our financial outlook for the coming year is positive.

At Sheffcare, we are committed to providing the highest quality, person-centred care at the most affordable price. We understand the critical importance of having a consistent, motivated and skilled staff, and will make every effort to improve the support we offer them as they continue to provide a great service to our residents.

Our staff team has always been, and continues to be, the backbone of our organisation. Their dedication and compassion are truly remarkable, and we are incredibly fortunate to have them.

Additionally, I would like to extend my gratitude to our Executive Team and Trustees. Their quality leadership has been crucial to our continued success.

The calm, supportive, and experienced approach of our CEO and her team, combined with the wisdom and constructive enthusiasm of our Trustees, has been exceptional. Despite the global and national challenges we have faced, this leadership team has remained strong, unwavering, positive, and solution-focused. Sheffcare is truly fortunate to have such an outstanding leadership team, and I thank you all.

Signed by:

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Brian James, Chair
Date 28 November 2024

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in 2019.

Objectives and activities

a. Policies and objectives

Sheffcare provides a range of services across Sheffield: residential social care, day care services, and specialist dementia services. These services are run from nine sites. Sheffcare is in a strong market position being the largest not for profit social care provider in the area. Sheffcare has a strong and proud heritage, for thirty years Sheffcare has delivered excellent care to the people who use our services. This is reflected by external monitoring reports from commissioners and regulators, along with positive comments from our annual surveys.

b. Our purpose

To be the best provider of person-centred care to the people of Sheffield and the surrounding area.

c. Our guiding principle

Putting people who use our services at the heart of everything we do.

d. Our values

Sheffcare is a charity aiming for everyone to have a good day every day through

- Kindness
- Dignity
- Respect
- Independence
- Choices

e. Public benefit

In setting the objectives for the year and planning the required activities the Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the trustees ensure that planned activities contribute to the Charity's aims and objectives and in doing so Sheffcare continue to provide excellent care related services to the people of Sheffield and its surrounding area.

The trustees of Sheffcare firmly believe that the care services provided have been most beneficial to its residents and day centre attendees and that this has been proven by the positive feedback provided by residents, residents families, staff, stakeholders and regulators. By providing an excellent, professional, service Sheffcare has had a huge positive impact on local care services and the people that use them thus enhancing the quality of life within the local area.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued) *FOR THE YEAR ENDED 31 MARCH 2024*

Structure, governance and management

a. Constitution

The Company is registered as a charitable company limited by guarantee with a share capital. Its governing document is the Memorandum and Articles of Association.

b. Method of appointment and policy adopted for induction and training of trustees

New Trustees are recruited depending on the particular skills and expertise required at the time to ensure that the charitable company's objects are met. Trustee roles are openly advertised in order to attract the widest pool of talent. New trustees are selected by members of the Board and appointed where they have the necessary skills to contribute to the effective governance of the Charity. On being appointed trustees receive a copy of the governing document, the most recent statutory accounts, an induction pack, and are introduced to an experienced buddy Trustee and the workings of the Charity.

c. Organisational structure and decision making

Sheffcare Limited is governed by a Board of Trustees from whom day to day control is vested in a Chief Executive. Board meetings are held a minimum of six times each year and are supported by a Finance Committee, Quality Committee and People Committee.

The overall management of Sheffcare is provided by the Chief Executive, together with a small executive team. Day to day responsibility for each home is delegated to a Registered Manager.

d. Pay policy for senior staff

The executive team is a small team of five. Pay for the executive team has been set by the trustees and is reviewed by the whole board on an annual basis. The pay scales are in line with those paid for similar roles within the wider care sector. It is essential that salaries are set at a level which both attract, retain and motivate staff. This is a consideration for the trustees when agreeing salary scales and salary increases.

e. Related party relationships

The charitable company Sheffcare Limited is the sole shareholder of Sheffcare Services Limited. Sheffcare Services Limited was formed to negotiate and manage publicly funded contracts. The company is not currently trading.

f. Engagement with employees (including disabled persons)

Sheffcare is committed to an active equal opportunities policy from recruitment and selection, through training, development, appraisal and promotion to retirement for all employees including those with a disability. It is our policy to promote an environment free from discrimination, harassment and victimisation.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

g. Gender Pay Gap (GPG)

The GPG is based on the gross pay, per hour, for each employee during April (staff), and May (care), 2023. The hourly rate calculations are based on 65 male, and 409 female employees. The bonus calculations are based on 4 male, and 21 female employees.

Hourly rate

Difference in mean hourly rate of pay	4 %
Difference in median hourly rate of pay	0 %

Bonus pay

	Male	Female
Percentage of employees who received bonus pay	6.15 %	5.13 %
Difference in mean bonus pay		30 %
Difference in median bonus pay		50 %

Employees by pay quartile

	Male	Female
Upper quartile	15.3 %	84.8 %
Upper middle quartile	12.6 %	87.4 %
Lower middle quartile	11 %	89 %
Lower quartile	16 %	84 %

Strategic report

Achievements and performance

a. Operating environment

Despite another challenging year where adult social care remains significantly over-stretched and underfunded we have many achievements to report.

Our occupancy continues to rise, almost back to pre-pandemic levels. Occupancy was budgeted at 88% and we achieved an average of 88% for the year.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Residents who are funded by the Local Authority make up 68% of people living in our homes. The Sheffield City Council fee rate was uplifted this year by 9.8% to £630 a week, but this still falls short of the Fair Cost of Care rate of £788 per week. This figure was calculated in 2022 and so does not include recent steep increases in inflation. This funding gap reduces our income and severely limits investment in our homes. We recognise that Sheffield City Council is also under significant financial pressure, and we appreciate the efforts they continue to make to close the funding gap

The wider financial environment is equally challenging, with loan interest rates rising, energy prices increasing and the impact of inflation. In spite of this, we ended the year with a surplus of £199,493 and each Registered Manager was given £10,000 to spend on projects in their home.

Sheffield City Council continue to promote care at home as the preferred option, the impact on Sheffcare being a shorter length in stay and residents coming to us with a higher level of need.

We continue to invest in our care, and this year we created a new post of Head of Quality and Improvement. The role not only focuses on ensuring Sheffcare is compliant with the requirements of regulators but is also developing continuous improvements, we use a quality dashboard reporting system which promotes a culture of transparency and learning.

Our values shine through repeatedly which are echoed in surveys, in service-users focus groups and in the feedback we receive about our services and our staff. The Dementia Quality Survey for 2024 indicates that in all 10 areas of our work, 95% of people are very happy with the level of care and support we provide.

We continue to use technology to support our plans at Sheffcare as we progress with our rollout of Person Centred Software (PCS) implementing electronic care plans across the charity. All nine homes now use PCS, with the longest established homes supporting those who were further down the roll-out process. This is a key area of investment for Sheffcare as technology can help us enhance our services, improve record-keeping and free up time for our staff to care. We have a number of research projects in the homes which are designed to encourage and support engagement and fulfilment, these include Happiness Programme and Music Technology Programme.

We also invested in our infrastructure, upgrading the Wifi in all 9 homes and rolling out new cloud-based IT systems to manage payroll, care and HR.

b. People

As a sector, adult social care faces ongoing challenges recruiting and retaining staff. We continue to have significantly lower vacancy rates and higher retention rates than in equivalent organisations. This is important to us for our residents and service users to be surrounded by trusted familiar faces. Our turnover was 18%, against an average of 28% (NCF figure). Our vacancy rate for the year was 4%, against a NCF 10%. Over this past year we have put even more time and energy into nurturing and supporting new starters and maintaining our culture of kindness.

We are fortunate to have truly amazing people working together to provide the best possible care for our residents and service users. We are grateful for the dedication, commitment, hard work and kindness that all staff show across our charity; in both caring roles and supporting roles. We continue to invest in staff training, learning and development, running face to face training where we can.

Our volunteering programme is slowly growing back following the pandemic. We have volunteer befrienders in all our homes, volunteer gardeners, drivers and of course our Trustees.

Our Everyone Matters group is our staff forum, with representatives from all homes and teams meeting together to share ideas, raise issues and problem solve together. The group have suggested and driven changes and improvements in many aspects of our work.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

c. Governance

This year we have conducted a skills analysis of our Board, being mindful of succession planning and recruited new Trustees to add to our range of skills and experience. We have created a new People Committee and improved the communication around Trustee visits to homes. Each Trustee is matched with one, occasionally two homes and they visit up to 4 times a year.

d. Care Quality Commission (CQC)

The CQC regulate our services and either visit or assess remotely to ensure that we are adhering to the national minimum standards. All our services have been inspected. Eight services out of the nine have been rated as 'Good'. One home was rated as "Requires Improvement" in 2019 and an action plan was completed to address the particular area of concern. Unfortunately we have not yet had a further inspection to give us the opportunity to have the rating updated. We continue with our strategy to move services from 'Good' to 'Outstanding' and have made changes to ensure that the home which requires improvement is rated 'Good' on future inspections. As the CQC maintain a risk-based approach to inspections, where a service like ours is not considered high-risk, we are unable to influence when they return to reinspect.

Risk management

The Executive team and Trustees regularly review and scrutinise the organisation's risk register; identifying the major risks to which the charity is exposed and ensuring that appropriate systems are in place to mitigate exposure to those risks. The main risks are detailed below together with the steps taken to manage and mitigate those risks.

1. CQC compliance failure

Our quality assurance framework, now led by our Head of Quality and Improvement, has been developed in line with the CQC's requirements to ensure the consistent quality and delivery of all operational aspects of the charity. All systems are periodically reviewed to ensure they continue to meet the needs. This area of work is overseen by our Quality Committee.

2. Inability to meet the rising needs and changing demands of service users

Quality reviews and incident reports highlight trends, arising issues and corrective action. This area of work is overseen by our Quality Committee. We maintain dialogue with commissioners to feedback trends and concerns.

3. Major asset failures

Many of the care homes have old mechanical, electrical and engineering equipment that could be liable to failure. We mitigate, by mandatory inspection/service schedules, as part of a planned maintenance regime and have in place a contingency plan for replacements. All homes could experience a major incident such as flooding or fire. Any such incident would require implementation of the Business Emergency Plan. Managers and Central Support Staff have a firm understanding on what measures are required in reaction to an incident.

4. SYPA scheme deficit

Whilst the South Yorkshire Pension Authority fund is in surplus at 31 March 2024, a significant deficit could have a major financial impact on the business when the last employee, who is part of that scheme, leaves Sheffcare. At 31 March 2024 we have 8 remaining staff in the scheme. Sheffcare remain in contact with Sheffield City Council (who is the guarantor of the Sheffcare scheme) and the South Yorkshire Pension Scheme to discuss options regarding the future of the scheme.

5. Funding risks

There is a heavy reliance on local authority funding for many residents and we recognise that the level of funding which is challenging at best could be at further risk in times of austerity or economic decline.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

Financial review**a. Results for the year**

As shown in the Statement of Financial Activities on page 16, total income in the year amounted to £14,992,926 (2023: £12,071,252) and our total expenses amounted to £14,793,433 (2023: £12,818,994) resulting in a pre-pension adjustment operating surplus of £199,493 compared to a deficit of £747,742 in 2023. Staff costs during the year amounted to 72% of income, of which 68% is Care and 4% Administration (2023: Care 72%, Administration 5%).

During the year average occupancy levels were 88% (2023: 79 %).

There was an actuarial gain on the defined benefit pension scheme of £774,000 (2023: gain of £5,696,000). The overall surplus for the year was £973,493 (2023: surplus £4,948,258).

Total funds carried forward at 31 March 2024 were £11,294,507 (2023: £10,321,014) of which £11,088,391 (2023: £9,975,299) are unrestricted and £206,116 (2023: £345,715) are restricted.

b. Pension scheme

The charity provides a defined benefit pension scheme available to certain employees. This pension benefit is provided by the charity's contribution to the South Yorkshire Pension Authority Scheme (SYPA). As a result of the fund performing exceptionally well this year the charity's scheme is in surplus as detailed in note 21.

Under the provisions of FRS102, the charity is required to recognise the surplus within its balance sheet, if certain criteria are met. The reported FRS102 pension benefit this year is showing a surplus of £3,127,000 compared to a surplus of £2,230,000 in 2023. This movement is principally driven by the actuarial gain on the plan assets and liabilities amounting to £774,000 during the period.

The asset is, of course, a statement of the theoretical pension asset of the Charity at the balance sheet date based upon current assumptions of future discount rates; future discount salary and pension increases and inflation.

The trustees have received information from the schemes actuaries regarding the surplus and following FRS102 a pension scheme surplus should only be recognised to the extent that the surplus can be recovered through reduced future contributions or through refunds from the plan. The Charity is unable to quantify the period over which any benefit will accrue from the defined benefit pension scheme asset however expects to contribute £nil to the scheme in 2024-25.

The pension surplus is shown separately within unrestricted funds for charity.

c. Reserves policy

The charity's reserves policy has been reviewed by the trustees in the year, and it has been agreed that the risk based approach to reserves is appropriate.

The main area of financial risk for the organisation continues to be that of a fall in occupancy levels. The trustees have set a reserves policy amount 5% below the prevailing break-even position. Budgets have been prepared for the financial year 2024-25 which forecast that the occupancy level at the break-even position is 84%.

SHEFFCARE LIMITED**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)**
FOR THE YEAR ENDED 31 MARCH 2024

Utilising the outputs from the budgets and other risk registers to identify the impact of the financial risks, whilst also factoring in the suggested level of Board approved Designated Funds. The Reserves Target for 2023-24 was as follows:

Maximum annual cash impact of beds fees falling 5% below current break-even levels	£913,095
Contingency to cover un-budgeted capital and project expenditure (standard)	£50,000
SYPA Scheme Deficit Repayment (standard)	£46,800
Board Approved Designated Funds (reviewed annually)	£100,000
Free Reserves Target – March 2024	<u>£1,109,895</u>

The value of free unrestricted reserves at 31 March 2024 is £1,361,517 (2023: £896,637) and comprises;

Unrestricted general reserves (excl. the pension deficit)	£7,861,291
Fixed assets funded by unrestricted funds	(£9,008,007)
Associated bank loans	<u>£2,508,233</u>
Total free reserves	<u>£1,361,517</u>

The results of the year show a surplus of £251,622 on the free reserves target as set out in the adopted Reserves Policy above, this is a result of the increased occupancy in the year. The surplus on the free reserves target is to be utilised to reduce our future debt exposure where possible. The non-standard elements are to be reviewed annually in-line with the budget approval process.

A summary of reserves at 31 March 2024 is:

	£
Designated	100,000
Unrestricted (Including Share Capital)	7,861,391
Pension	3,127,000
Restricted	<u>206,116</u>
Total Reserves	<u>11,294,507</u>

Trustees' interests

None of the trustees who held office at the end of the financial year had any interest in the charitable company.

Liability insurance

Insurance for trustees and officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is in place. The cost of maintaining liabilities insurance during the year amounted to £2,375 (2023: £2,159).

Employees and volunteers

The charitable company has a policy of offering employment / volunteering opportunities to persons with disabilities, where possible, as part of our overall equal opportunities policy.

Strategy and future plans - summary

Sheffcare continues to focus on developing further residential and day care services for people living with dementia as we move away from providing general residential care which is increasingly being delivered in a community setting. This is in line with our strategy which aims to deliver excellence in dementia care.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

We continue to review care homes in Sheffield which come on to the market to determine if they are a suitable acquisition for Sheffcare as we move towards creating higher environmental standards such as en-suite facilities and increased indoor and outdoor space.

We continue to invest in the development and expansion of meaningful activities, events and trips for our residents. We are also committed to maintaining and developing links with the local communities that surround our care homes and our day centres.

Fundraising statement

In the financial year the Charity did not actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities in its own right or via a trading subsidiary or third party. The trustees were though pleased to receive unsolicited gifts from relatives and local businesses who generously support our residents comfort fund. We were grateful to receive restricted grants from Sheffield City Council, Sheffield City Council Local Area Committees, Sheffield Town Trust, Go Fund Me and NHS DSC.

Trustees' responsibilities statement

The trustees (who are also directors of Sheffcare Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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

Auditor

The auditor, MCABA Limited t/a Mitchells, have indicated their willingness to continue in office, subject to approval by the members at the AGM.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2024

This report incorporating the Strategic Report was approved by the trustees on 28 November 2024 and signed on their behalf by:

Signed by:

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Brian James
Chair

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

Opinion

We have audited the financial statements of Sheffcare Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- 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's 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 trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

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:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charitable company and the sector in which they operate. We determined that the following laws and regulations were most significant; the Companies Act 2006, Charities Act 2011, Charities SORP (FRS 102), Health and Social Care Act 2012 and Care Quality Commission (Registration) Regulations 2009.
- We obtained an understanding of how the group and charitable company are complying with those legal and regulatory frameworks by making inquiries to relevant members of the management team. We corroborated our inquiries through our review of board minutes and inquiry into legal fees incurred in the year.
- We assessed the susceptibility of the group and charitable company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying the controls management has in place to prevent and detect fraud and assessing the operation of these controls
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process
 - Performed analytical procedures to identify any unusual or unexpected variances
 - Identifying and testing journal entries, in particular any journal entries that were large or unusual in nature
 - Assessing the extent of compliance with the relevant laws and regulations governing the company and the sector it operates within. This included a review of any potential breaches during and since the year end
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Agreeing financial statement disclosures to underlying supporting documentation

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

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit>. This description forms part of our auditor's report.


SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:


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Jane Boulton (Senior Statutory Auditor)

For and behalf of
MCABA Limited t/a Mitchells
Chartered Accountants & Statutory Auditor
91-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

28 November 2024
Date.....

SHEFFCARE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	2	-	7,554	7,554	6,693
Charitable activities	3	14,685,282	256,163	14,941,445	12,046,213
Investments	4	43,927	-	43,927	18,346
Total income		14,729,209	263,717	14,992,926	12,071,252
Expenditure on:					
Raising funds		15,731	-	15,731	17,969
Charitable activities		14,374,386	403,316	14,777,702	12,801,025
Charitable activities - Ongoing					
Total expenditure	5	14,390,117	403,316	14,793,433	12,818,994
Net income/(expenditure) before other recognised gains and losses		339,092	(139,599)	199,493	(747,742)
Actuarial gains on defined benefit pension schemes	21	774,000	-	774,000	5,696,000
Net movement in funds		1,113,092	(139,599)	973,493	4,948,258
Reconciliation of funds:					
Total funds brought forward as previously stated		9,975,299	345,715	10,321,014	5,372,756
Net movement in funds		1,113,092	(139,599)	973,493	4,948,258
Total funds carried forward	16	11,088,391	206,116	11,294,507	10,321,014

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024


	Note	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	10		9,121,289		9,606,767
Current assets					
Debtors	12	991,000		1,167,303	
Cash at bank and in hand	19	2,646,627		2,159,499	
		3,637,627		3,326,802	
Creditors: amounts falling due within one year	13	(3,327,858)		(2,340,020)	
Net current assets			309,769		986,782
Total assets less current liabilities			9,431,058		10,593,549
Creditors: amounts falling due after more than one year	14		(1,263,551)		(2,502,535)
Net assets excluding pension scheme assets			8,167,507		8,091,014
Defined benefit pension scheme surplus/(deficit)	21		3,127,000		2,230,000
Net assets			11,294,507		10,321,014
Charity funds					
Restricted funds	16		206,116		345,715
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	7,961,291		7,745,199	
Unrestricted funds excluding pension liability		7,961,391		7,745,299	
Pension reserve	16	3,127,000		2,230,000	
Total unrestricted funds			11,088,391		9,975,299
Total funds			11,294,507		10,321,014

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Signed by:

9B1E1C0C5971458...

Brian James, Chair
Date: 28 November 2024

The notes on pages 22 to 44 form part of these financial statements.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET
AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
Fixed assets					
Tangible assets	10		9,121,289		9,606,767
Investment in subsidiary	11		1		1
			9,121,290		9,606,768
Current assets					
Debtors	12	991,168		1,167,471	
Cash at bank and in hand	19	2,646,619		2,159,419	
		3,637,787		3,326,890	
Creditors: amounts falling due within one year	13	(3,327,858)		(2,340,020)	
Net current assets			309,929		986,870
Total assets less current liabilities			9,431,219		10,593,638
Creditors: amounts falling due after more than one year	14		(1,263,551)		(2,502,535)
Net assets excluding pension scheme liabilities			8,167,668		8,091,103
Defined benefit pension scheme surplus/ (deficit)	21		3,127,000		2,230,000
Net assets including pension scheme liabilities			11,294,668		10,321,103
Charity funds					
Restricted funds	16		206,115		345,715
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	7,961,453		7,745,288	
Unrestricted funds excluding pension liability		7,961,553		7,745,388	
Pension reserve	16	3,127,000		2,230,000	
Total unrestricted funds			11,088,553		9,975,388
Total funds			11,294,668		10,321,103

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The surplus for the year is £973,566.

The financial statements were approved and authorised for issue by the Trustees on 28 November 2024 and signed on their behalf, by:

Signed by:

9B1E1C0C5971458...

Brian James, Chair

The notes on pages 22 to 44 form part of these financial statements.

SHEFFCARE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	18	874,897	766,497
Cash flows from investing activities:			
Interest received		43,927	18,346
Purchase of tangible fixed assets		(324,879)	(241,027)
Proceeds from sale of tangible fixed assets		-	2,800
Net cash used in investing activities		(280,952)	(219,881)
Additional borrowings		-	-
Repayments of borrowings		(106,817)	(491,069)
Net cash provided by financing activities		(106,817)	(491,069)
Change in cash and cash equivalents in the year		487,128	55,547
Cash and cash equivalents brought forward		2,159,499	2,103,952
Cash and cash equivalents carried forward	19	2,646,627	2,159,499

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies**1.1 Company status**

The charitable company is a company limited by guarantee with share capital. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.2 Basis of preparation of financial statements

Sheffcare Limited is a charitable company in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are on page 3 of these financial statements.

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), and the Companies Act 2006.

Sheffcare Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The subsidiary undertaking has taken exemption from audit as a guarantee has been given by Sheffcare Limited under S479C of the Companies Act 2006 which guarantees all outstanding liabilities to which the subsidiary entity is subject at the year end.

The charity has taken advantage of the exemption allowed under section 408 of the Companies act 2006 and has not presented its own statement of financial activities or cash flow statement in these financial statements. The surplus for the Charity is £973,566.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies (continued)***Fund accounting (continued)***

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

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

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for a specific purpose but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies (continued)
1.6 Redundancy payments

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Charity recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

1.7 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred by the company in relation to providing residential care, respite care and specialist care services including support costs and costs relating to the governance of the company apportioned to charitable activities.

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

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at purchase cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property and renovations	-	5 - 50 years
Leasehold property and renovations	-	5 - 50 years
Motor vehicles	-	4 years
Fixtures and fittings	-	4 years

1.9 Interest receivable

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

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies (continued)**1.10 Investments**

Investments in subsidiaries are valued at cost.

1.11 Debtors

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

1.12 Cash at bank and in hand

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

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Pension costs

The charity contributes to a pension scheme operated by The South Yorkshire Pension Authority providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

A pension scheme deficit is recognised in full. A pension scheme asset is only recognised to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. In the opinion of the trustees, a pensions scheme asset should be recognised as the Charity expects to contribute £nil to the scheme in 2024-25.

The movement in the scheme asset or deficit is split between operating charges, finance items and actuarial gains and losses. Further details regarding the scheme are disclosed in note 21.

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the SOFA in the year they are payable.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies (continued)**1.15 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Taxation

The 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 company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 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.

1.17 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.18 Critical accounting estimates and areas of judgment

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

Critical accounts estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The following estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are set out below.

South Yorkshire Pension Fund liability:

The present value of the South Yorkshire defined benefit pensions asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the asset/liability. The detailed assumptions for this and the prior year are disclosed in note 21.

Property:

The carrying value of property and annual impairment reviews are subject to assessment involving estimates on future occupancy and state of repair of the properties.

Support costs:

Some costs incurred by the Charity such as IT, insurance, and postage are shared between activities. The Charity's policy is to allocate these costs on the basis of assessed consumption. This includes allocation between funds which are material by nature.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. Accounting Policies (continued)

1.19 Operating leases

Lease payments are recognised as an expense over the lease term on a straight line basis.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	-	7,554	7,554	6,693
<i>Total 2023</i>	-	6,693	6,693	

3. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Residential bed fees	14,524,618	-	14,524,618	11,723,997
Private day care	136,613	-	136,613	131,245
Grant income	-	231,203	231,203	126,361
Other income	24,051	24,960	49,011	64,610
	14,685,282	256,163	14,941,445	12,046,213
<i>Total 2023</i>	11,912,131	134,082	12,046,213	

4. Investment income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest received	43,927	-	43,927	18,346
<i>Total 2023</i>	18,346	-	18,346	

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Analysis of expenditure by expenditure type

	Staff costs 2024 £	Depreciation & Disposals 2024 £	Other costs 2024 £	Total 2024 £	Total 2023 £
Costs of raising funds					
Advertising and publicity	-	-	15,731	15,731	17,969
	-	-	15,731	15,731	17,969
Charitable activities					
Operation of care homes	10,665,231	810,357	3,225,944	14,701,532	12,724,150
Expenditure on governance costs (note 6)	47,290	-	28,880	76,170	76,875
	10,712,521	810,357	3,270,555	14,793,433	12,818,994
<i>Total 2023</i>	9,334,658	849,510	2,634,826	12,818,994	

Other costs

	2024 £	2023 £
Direct costs		
Premises	1,198,410	783,734
Provisions	831,080	654,113
Other resident costs	295,969	226,551
Other staff costs	96,457	122,114
Sub-total	2,421,916	1,786,512
Support costs		
Miscellaneous	58,519	30,437
Auditor's remuneration	18,300	17,400
Legal & professional	10,580	17,142
Office costs	656,694	544,568
Interest	194,815	129,798
Net pension financing cost/(income) (note 9)	(106,000)	91,000
Advertising and publicity	15,731	17,969
Sub-total	848,639	848,314
Total	3,270,555	2,634,826

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

6. Governance costs

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Auditor's remuneration	18,300	-	18,300	17,400
Legal & professional	10,580	-	10,580	17,142
Wages and salaries	47,290	-	47,290	42,333
	76,170	-	76,170	76,875

7. Net income/ (expenditure)

This is stated after charging:

	2024	2023
Depreciation of tangible fixed assets:		
- depreciation	808,300	840,674
- loss on disposals	2,057	8,836
Auditor's remuneration – audit	18,300	17,400

During the year, no Trustees received any remuneration (2023: £NIL).

During the year, no Trustees received any benefits in kind (2023: £NIL).

1 Trustee received reimbursement of expenses amounting to £389 in the current year, (2023: 1 Trustee - £285) in relation to travel expenses.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

8. Staff costs

Staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	9,202,805	7,829,407
Social security costs	666,641	541,902
Other pension costs	252,022	237,151
	10,121,468	8,608,460
Agency costs	591,053	726,198
Total	10,712,521	9,334,658

No redundancy payments were made during the year (2023: £10,670, relating to 1 employee). The full amount of redundancy payments shown as an expense in the Statement of Financial Activities relates to the prior year. No termination payments incurred during the year (2023: £nil).

The average number of persons (full time and part-time) employed by the company during the year was as follows:

	2024	2023
	No.	No.
Care Services	469	423
Management and administration of the charity	27	29
	496	452

The number of higher paid employees was:

	2024	2023
	No.	No.
In the band £90,001 - £100,000	0	0
In the band £80,001 - £90,000	1	0
In the band £70,001 - £80,000	0	1
In the band £60,001 - £70,000	2	1

The key management personnel of the parent charity, comprise the trustees, the Chief Executive Officer, Director of Finance, Care and Operations Director/Deputy Chief Executive Officer, Director of HR, Director of Facilities and Director of Quality. During the year the key management personnel costs including employer's pension and NI were £410,669 (2023: £360,270).

At the year end, pension contributions outstanding amounted to £7,819 (2023: £4,729).

9. Other finance expense / income

	2024	2023
	£	£
Interest income on pension scheme assets	954,000	568,000
Interest on pension scheme liabilities	(848,000)	(659,000)
	106,000	(91,000)

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

10. Tangible fixed assets

Group & Charity

	Freehold property & renovations £	Leasehold property & renovations £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 April 2023	2,525,000	10,596,096	51,360	1,839,398	15,011,854
Additions	3,200	18,780	-	302,899	324,879
Disposals	-	-	-	(303,568)	(303,568)
Transfers	1,587,470	(1,587,470)	-	-	-
At 31 March 2024	4,115,670	9,027,406	51,360	1,838,729	15,033,165
Depreciation					
At 1 April 2023	204,875	3,714,648	49,220	1,436,344	5,405,087
Charge for the year	209,760	347,615	2,140	248,785	808,300
Disposals	-	-	-	(301,511)	(301,511)
Transfers	378,024	(378,024)	-	-	-
At 31 March 2024	792,659	3,684,239	51,360	1,383,618	5,911,876
Net book value					
At 31 March 2024	3,323,011	5,343,167	-	455,111	9,121,289
At 31 March 2023	2,320,125	6,881,448	2,140	403,054	9,606,767

During the year, assets with a net book value of £1,209,446 were transferred from Leasehold property and renovations to Freehold property and renovations due to them being incorrectly categorised in a prior year.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Fixed asset investments

	Investments in subsidiary companies	Total
	£	£
Charity		
Cost or valuation		
At 1 April 2023	1	1
Additions	-	-
Disposals	-	-
Revaluations	-	-
At 31 March 2024	1	1
Net book value		
At 31 March 2024	1	1
At 31 March 2023	1	1

Principal subsidiaries

The following was a subsidiary undertaking of the charity which has been consolidated in the group financial statements:

Name	Company number	Principal activity	Class of shares	Holding
Sheffcare Services Limited	13240691	Negotiation and management of publicly funded contracts	Ordinary	£1

The financial results of the subsidiary for the year were:

	Income	Expenditure	Profit / loss	Net assets
	£	£	for the year	£
			£	
Sheffcare Services Limited	-	73	(73)	(160)

The charity holds 1 share of £1 in its wholly owned trading subsidiary company Sheffcare Services Limited which is incorporated in the England and Wales. These are the only shares allotted, called up and fully paid.

Subsidiary exemption from audit

The subsidiary listed above has claimed exemption from audit for their individual financial statement under S479A of the Companies Act 2006.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Debtors

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade debtors	624,480	732,061	624,480	732,061
Prepayments and accrued income	300,855	355,702	300,855	355,702
Other debtors	65,665	79,540	65,833	79,708
	991,000	1,167,303	991,168	1,167,471

13. Creditors: Amounts falling due within one year

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Bank loans and overdrafts (note 14)	1,244,682	112,515	1,244,682	112,515
Trade creditors	313,710	410,464	313,710	410,464
Other creditors	534,140	588,415	534,140	588,415
Accruals and deferred income	1,235,326	1,228,626	1,235,326	1,228,626
	3,327,858	2,340,020	3,327,858	2,340,020

Included within deferred income are bed fees received in advance as follows:

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
<i>Deferred income</i>				
Deferred income at 1 April 2023	518,179	454,926	518,179	454,926
Resources deferred during the year	520,781	518,179	520,781	518,179
Amounts released from previous years	(518,179)	(454,926)	(518,179)	(454,926)
Deferred income at 31 March 2024	520,781	518,179	520,781	518,179

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

14. Creditors: Amounts falling due after more than one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans	1,263,551	2,502,535	1,263,551	2,502,535

Included within the above are amounts falling due as follows:

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
<i>Less than one year</i>				
Bank loans	1,244,682	112,515	1,244,682	112,515
<i>Between one and two years</i>				
Bank loans	235,011	122,584	235,011	122,584
<i>Between two and five years</i>				
Bank loans	1,028,540	2,379,951	1,028,540	2,379,951
Total	2,508,233	2,615,050	2,508,233	2,615,050

The bank loans are secured by way of debenture over the assets held by the company. A legal charge is also held on the freehold and leasehold land and buildings. The group pays a margin of 2.35% and 2.75% plus base rate on its bank loans, with a re-payment profile of 15 years.

15. Share capital

Group & Charity

	2024 £	2023 £
<i>Authorised, allotted, called up and fully paid</i>		
100- Ordinary shares of £1 each	100	100

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
General funds						
General unrestricted funds	7,645,287	14,729,209	(14,513,044)	-	-	7,861,452
General – trading subsidiary	(88)	-	(73)	-	-	(161)
Share capital	100	-	-	-	-	100
Pension reserve	2,230,000	-	123,000	-	774,000	3,127,000
	9,875,299	14,729,209	(14,390,117)	-	774,000	10,988,391
Total Unrestricted funds	9,975,299	14,729,209	(14,390,117)	-	774,000	11,088,391
Restricted funds						
Comfort funds	102,559	32,414	(42,221)	-	-	92,752
Grant Income - Infection Prevention Control	168,753	-	(112,249)	-	-	56,504
Grant Income – South Yorkshire Fire & Rescue	74,403	-	(17,623)	-	-	56,780
Grant Income – SCC Local Area Committees	-	3,486	(3,486)	-	-	-
Grant Income – SCC MSIF	-	198,733	(198,733)	-	-	-
Grant Income – Sheffield Town Trust	-	3,000	(3,000)	-	-	-
Grant Income – Go Fund Me	-	484	(484)	-	-	-
Grant Income – NHS DSC	-	25,000	(25,000)	-	-	-
Grant Income – Ship Shape	-	500	(500)	-	-	-
Other	-	100	(20)	-	-	80
	345,715	263,717	(403,316)	-	-	206,116
Total of funds	10,321,014	14,992,926	(14,793,433)	-	774,000	11,294,507

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Statement of funds (continued)

Statement of funds – prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
General funds						
General unrestricted funds	8,243,390	11,930,477	(12,528,580)	-	-	7,645,287
General trading subsidiary	(8)	-	(80)	-	-	(88)
Share capital	100	-	-	-	-	100
Pension reserve	(3,386,000)	-	(80,000)	-	5,696,000	2,230,000
	4,857,482	11,930,477	(12,608,660)	-	5,696,000	9,875,299
Total Unrestricted funds	4,957,482	11,930,477	(12,608,660)	-	5,696,000	9,975,299
Comfort funds	115,526	14,414	(27,381)	-	-	102,559
Grant Income - Infection Prevention Control	299,748	-	(130,995)	-	-	168,753
Grant Income – SCC Local Area Committees	-	1,000	(1,000)	-	-	-
Grant Income – Kickstart Scheme	-	18,651	(18,651)	-	-	-
Grant Income – South Yorkshire Fire & Rescue	-	104,710	(30,307)	-	-	74,403
Grant Income – Speak Up Grant	-	2,000	(2,000)	-	-	-
	415,274	140,775	(210,334)	-	-	345,715
Total of funds	5,372,756	12,071,252	(12,818,994)	-	5,696,000	10,321,014

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Statement of funds (continued)

Designated funds

The Trustees have designated funds of £100,000 to cover any potential overspends on capital and project budgets during the course of the year.

Restricted funds

Comfort funds – this is fundraising undertaken at a home level with the purpose being that the funds are spent on items for the benefit of the residents.

Grant income received from SCC Local Area Communities was for enrichment activities including wellness sessions and outings for our residents.

Grant Income received from SCC MSIF (Market sustainability and improvement fund) Workforce fund, was used to improve recruitment and retention, through various initiatives including staff gifts, bonuses, training and enhanced pay.

Grant income received from Sheffield Town Trust was used to improve the outside space at Burnt Tree Croft care home.

Grant Income received from Go Fund Me was used to benefit the residents at Springwood Care Home.

Grant income was received from NHS DSC (Digitising Social Care Transformation Fund) this was used to contribute towards the costs of us moving towards digital care records.

Grant income received from Ship Shape Community Hub was used to bring nature and plant based activities into the care home at Grange Crescent.

Other restricted funds are monies where the donor has restricted their use of the fund for a specific purpose.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16. Statement of funds (continued)
Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	100,000	-	-	-	-	100,000
General funds	9,875,299	14,729,209	(14,390,117)	-	774,000	10,988,391
	9,975,299	14,729,209	(14,390,117)	-	774,000	11,088,391
Restricted funds	345,715	263,717	(403,316)	-	-	206,116
	10,321,014	14,992,926	(14,793,433)	-	774,000	11,294,507

Summary of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	100,000	-	-	-	-	100,000
General funds	4,857,482	11,930,477	(12,608,660)	-	5,696,000	9,875,299
	4,957,482	11,930,477	(12,608,660)	-	5,696,000	9,975,299
Restricted funds	415,274	140,775	(210,334)	-	-	345,715
	5,372,756	12,071,252	(12,818,994)	-	5,696,000	10,321,014

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	9,008,006	113,283	9,121,289
Current assets	3,544,795	92,832	3,637,627
Creditors due within one year	(3,327,858)	-	(3,327,858)
Creditors due in more than one year	(1,263,551)	-	(1,263,551)
Defined benefit scheme surplus/(deficit)	3,127,000	-	3,127,000
	11,088,392	206,115	11,294,507

Analysis of net assets between funds - prior year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	9,363,611	243,156	9,606,767
Current assets	3,224,243	102,559	3,326,802
Creditors due within one year	(2,340,020)	-	(2,340,020)
Creditors due in more than one year	(2,502,535)	-	(2,502,535)
Defined benefit scheme surplus/(deficit)	2,230,000	-	2,230,000
	9,975,299	345,715	10,321,014

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure)/ income for the year (as per Statement of Financial Activities)	199,493	(747,742)
Adjustment for:		
Depreciation charges	808,300	840,674
Pension scheme adjustment	(123,000)	80,000
Interest from investments	(43,927)	(18,346)
Loss on the sale of fixed assets	2,057	8,835
(Increase)/decrease in debtors	176,303	277,551
Increase/(decrease) in creditors	(144,329)	325,525
	874,897	766,497

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

19. Analysis of cash and cash equivalents

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Cash in hand	2,646,627	2,159,499	2,646,619	2,159,419
Total	2,646,627	2,159,499	2,646,619	2,159,419

20. Analysis of changes in net debt

	At 1 April 2023	Transfers	Cash Flows	At 31 March 2024
	£	£	£	£
Cash in hand	2,159,499		487,128	2,646,627
Bank loan (due in 1 year)	(112,515)	(1,238,984)	106,817	(1,244,682)
Bank loan (due in over 1 year)	(2,502,535)	1,238,984	-	(1,263,551)
Total	(455,551)		593,945	138,394

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. Pension commitments

The company operates a defined contribution pension scheme with NEST. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £192,581 (2023: £158,367).

The company also operates a defined benefit funded statutory pension scheme administered by the South Yorkshire Pensions Authority in accordance with the Local Government Pension Scheme Regulations 1995. A triennial actuarial valuation of this fund was last carried out in accordance with the Regulations as at 31 March 2022.

The principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages) were:

	2024	2023
Discount rate at 31 March	4.80%	4.75%
Future salary increases	3.40%	3.60%
Future pension increases	2.80%	3.00%

FRS102 requires the present value of pension liabilities to be calculated by discounting pension commitments, including salary growth, based on corporate bond yields. The FRS102 value of liabilities at March 2024 was £18,097,000 (2023: £18,288,000) and the market value of assets was £21,224,000 (2023: £20,518,000) giving a scheme surplus of £3,127,000 (2023: surplus £2,230,000).

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March	Fair value at 31 March
	2024	2023
	£	£
Equities	14,644,560	13,952,240
Government Bonds	4,457,040	4,719,140
Property	1,910,160	1,641,440
Cash	212,240	205,180
Total market value of assets	21,224,000	20,518,000

The actual return on scheme assets was a gain of £1,573,000 (2023 loss: £215,000).

SHEFFCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
*FOR THE YEAR ENDED 31 MARCH 2024***21. Pension commitments (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2024	2023
	£	£
Current service cost	(59,000)	(79,000)
Interest on obligation	(848,000)	(659,000)
Expected return on scheme assets	954,000	568,000
Administration expenses	-	-
Total	47,000	(170,000)

Movements in the present value of the defined benefit obligation were as follows:

	2024	2023
	£	£
Opening defined benefit obligation	18,288,000	24,750,000
Current service cost	59,000	79,000
Interest cost	848,000	659,000
Contributions by scheme participants	16,000	14,000
Actuarial (gains)/losses	(155,000)	(6,457,000)
Benefits paid	(959,000)	(757,000)
Closing defined benefit obligation	18,097,000	18,288,000

Changes in the fair value of scheme assets were as follows:

	2024	2023
	£	£
Opening fair value of scheme assets	20,518,000	21,364,000
Expected return on assets	954,000	568,000
Actuarial gains and (losses)	619,000	(761,000)
Contributions by employer	76,000	90,000
Contributions by scheme participants	16,000	14,000
Administration expenses	-	-
Benefits paid	(959,000)	(757,000)
Total	21,224,000	20,518,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was a gain of £774,000 (2023: Gain £5,696,000).

The company expects to contribute £0 to its defined benefit pension scheme in 2024-25.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2024 £	2023 £
Defined benefit obligation	(18,097,000)	(18,288,000)
Scheme assets	21,224,000	20,518,000
	3,127,000	2,230,000
Experience adjustments on scheme liabilities – Surplus/(deficit)	155,000	6,457,000
Experience adjustments on scheme assets – Surplus/(deficit)	619,000	(761,000)
Total actuarial gains on defined benefit pension scheme	774,000	5,696,000

22. Operating lease commitments

At 31 March 2024 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2024 £	2023 £
Amounts payable:		
Within 1 year	46,404	75,174
Between 2 to 5 years	1,426	45,942
Total	47,830	121,116

Lease payments of £74,609 (2023: £69,114) have been recognised as an expense in the statement of financial activities.

23. Related party transactions

The charitable company owns 100% of its subsidiary Sheffcare Services Limited. Recoverable VAT from the subsidiary amounting to £167 has been recharged to the parent company in prior years and this amount remained outstanding at the year end (2023: £167).

SHEFFCARE LIMITED

England & Wales - Charity number 1054227

Accounts

Registered number: 02538734
Charity number: 1054227

SHEFFCARE LIMITED
TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SHEFFCARE LIMITED

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees & Directors

David Johnson, Chair
Brian James
Carole Rainbird
Scott Sanderson
Sarah Smith (resigned 6th June 2023)
Valarie Wightman
John Fuller (appointed 26th May 2022)
Robert Chamberlain (appointed 25th May 2023)
Anna Gailey (resigned 5th October 2022)

Company registered number

02538734

Charity registered number

1054227

Registered office

Springwood House, 192 Penrith Road, Sheffield, S5 8UG

Chief executive officer

Claire Rintoul

Senior management team

Sarah Stapleton, Director of Finance
Tracey Payne, Care and Operations Director/Deputy Chief Executive Officer
Merewyn Scafe, Director of HR
John Dawson, Director of Facilities

Independent auditor

MCABA Limited t/a Mitchells, 91-97 Saltergate, Chesterfield, S40 1LA

Bankers

Barclays Bank, 1, St. Paul's Place, 121 Norfolk Street, Sheffield, S1 2JW

Solicitors

Hemingways Solicitors Limited, 11 Westbourne Road, Sheffield, S10 2QQ

SHEFFCARE LIMITED

CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Hello and welcome to our annual report for the year 2022-2023.

It is always an interesting exercise, as this annual report is written, to pause and reflect on the year that we have just lived through. I have observed at the beginning of the last two annual reports that Sheffcare Limited (hereafter "Sheffcare"), its residents and staff have lived through exceptional times. I have commented on the resilience and stoicism of residents and staff members as we grappled with the initial waves of the Covid19 pandemic and then, as that began to abate, the crippling cost-of-living crisis. The rise in the cost of fuel, food and finance that still persists and continues to affect all aspects of our lives. Once again it seems entirely appropriate to recognise, acknowledge and thank the teams across Sheffcare that have worked so hard to provide the exceptional care that we believe we provide; once again through thick and thin.

Reflecting on the year it has been another year that in many ways has challenged us. It is good, however, to report that, although we are still emerging from the effects of the last few years, the second half of the year has seen a return to more normal operating conditions. This year's annual report contains less 'exceptional' words and reflects, as the year has progressed, a return to a perhaps new, more normal, period of activity and stability. Over the last 6 months our occupancy levels which are so important to our financial stability and our plans to make our Homes better, have started to return to pre-pandemic levels and we now look forward with renewed confidence and optimism. As we move into our next financial year we can begin to reconsider plans that have been on hold during a very difficult period.

Senior Leaders and Trustees held an away day during the year, this was an opportunity to reconnect and reaffirm the values that the Charity hold. Throughout a very engaging day much debate took place, but it was good to re-establish that the core aims of the charity are to provide high-quality person-centred care to our residents regardless of their financial situation.

The health and social care system within the country remains, in my view, broken. Listening to the real-life stories of residents reinforces this view. We, at Sheffcare, continue to provide what we think is the very best care at the best price. We recognise the importance of consistent, quality staff and have endeavoured to minimise the cost of living situation for them as much as we can.

I have thanked and recognised our staff team many times and I will continue to do so, they are amazing people and we are lucky to have them. I haven't perhaps publicly thanked or recognised the actions of the Senior Leadership Team and the Trustees. One of the great saving graces for Sheffcare throughout the last period of great instability is the stability and quality of the Senior Management and Trustee teams. The consistent, calm and supportive nature of the CEO and her team alongside the experience, wisdom and but appropriately challenging enthusiasms that the Trustees bring to Sheffcare is, I would suggest, unique. In all the turmoil of global and national events, this leadership team has remained consistently strong, unwavering and, even at the darkest times, positive and solution focussed, Sheffcare is lucky to have you, thank you.

DocuSigned by:

David Johnson

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Dr David Johnson, Chairman

Date 5 October 2023



SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Objectives and Activities

a. Policies and objectives

Sheffcare provides a range of services across Sheffield: residential social care, day care services, and specialist dementia services. These services are run from nine sites. Sheffcare is in a strong market position being the largest not for profit social care provider in the area. Sheffcare has a strong and proud heritage, for nearly thirty years Sheffcare has delivered excellent care to the people who use our services. This is reflected by external monitoring reports from commissioners and regulators, along with positive comments from our annual surveys.

b. Our Purpose

To be the best provider of person-centred care to the people of Sheffield and the surrounding area.

c. Our Guiding Principle

Putting people who use our services at the heart of everything we do.

d. Our Values

Sheffcare is a charity aiming for everyone to have a good day every day through

- Kindness
- Dignity
- Respect
- Independence &
- Choices

e. Public Benefit

In setting the objectives for the year and planning the required activities the Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the trustees ensure that planned activities contribute to the charity's aims and objectives and in doing so Sheffcare continue to provide excellent care related services to the people of Sheffield and its surrounding area.

The trustees of Sheffcare firmly believe that the care services provided have been most beneficial to its residents and day centre attendees and that this has been proven by the positive feedback provided by residents, residents families, staff, stakeholders and regulators. By providing an excellent, professional, service Sheffcare has had a huge positive impact on local care services and the people that use them thus enhancing the quality of life within the local area.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued) *FOR THE YEAR ENDED 31 MARCH 2023*

Structure, governance and management

a. Constitution

The Company is registered as a charitable company limited by guarantee with a share capital. Its governing document is the Memorandum and Articles of Association.

b. Method of appointment and policy adopted for induction and training of trustees

Trustee vacancies are recruited depending on the particular skills and expertise required at the time to ensure that the charitable company's objects are met. Trustee roles are openly advertised in order to attract the widest pool of talent. New trustees are selected by members of the Board and appointed where they have the necessary skills to contribute to the effective governance of the Charity. On being appointed trustees receive a copy of the governing document, the most recent statutory accounts, an induction pack, and are introduced to the workings of the charity.

c. Organisational structure and decision making

Sheffcare Limited is governed by a Board of Trustees from whom day to day control is vested in a Chief Executive. Board meetings are held a minimum of six times each year and are supported by a Finance subcommittee and a Quality subcommittee.

The overall management of Sheffcare is provided by the Chief Executive, together with a small executive team. Day to day responsibility for each home is delegated to a Registered Manager.

d. Pay policy for senior staff

The executive team is a small team of five. Pay for the executive team has been set by the trustees and is reviewed by the whole board on an annual basis. The pay scales are in line with those paid for similar roles within the wider care sector. It is essential that salaries are set at a level which both attract, retain and motivate staff. This is a consideration for the trustees when agreeing salary scales and salary increases.

e. Related party relationships

The charitable company Sheffcare Limited is the sole shareholder of Sheffcare Services Limited. Sheffcare Services Limited was formed to negotiate and manage publicly funded contracts. The company is not currently trading.

f. Engagement with employees (including disabled persons)

Sheffcare is committed to an active equal opportunities policy from recruitment and selection, through training, development, appraisal and promotion to retirement for all employees including those with a disability. It is our policy to promote an environment free from discrimination, harassment and victimisation.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

g. Gender Pay Gap (GPG)

The GPG is based on the gross pay, per hour, for each employee during April (staff), and May (care), 2022. The hourly rate calculations are based on 59 male, and 383 female employees. The bonus calculations are based on 47 male, and 339 female employees.

Hourly rate

Difference in mean hourly rate of pay	-29 %
Difference in median hourly rate of pay	0 %

Bonus pay

	Male	Female
Percentage of employees who received bonus pay	79.66 %	88.51 %
Difference in mean bonus pay		17 %
Difference in median bonus pay		0 %

Employees by pay quartile

	Male	Female
Upper quartile	15.5 %	84.6 %
Upper middle quartile	11.7 %	88.3 %
Lower middle quartile	9.1 %	90.9 %
Lower quartile	17.1 %	82.9 %

Strategic Report
Achievements and performance
a. Operating environment

Sheffcare is proud to be a not-for-profit organisation. We continue, like all social care providers, to be in a very challenging economic climate where costs and inflation are rising significantly. This is compounded by our continuing reliance upon Sheffield Local Authority for the majority of our residents and service users' fees, which for the year was an average of 69% of all residents which is 3% lower than the previous year. Local authorities still pay a lower rate than self-funders which reduces income revenue and does not cover our full costs. This will result in significantly reduced income when the upcoming social care reforms come in, allowing private fee payers to request the local authority to arrange their care at the local authority rate. All local authorities were required to carry out an exercise to establish the fair cost of care in 2022 and the outcome of that piece of work demonstrated that the fair cost of care was £788 per

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

week and that the Local Authority were paying £223 per week less than the Fair Cost of Care. In addition, the Fair cost of Care exercise was carried out before the impact of significant cost of living and inflationary pressures so was already out of date at the time of our submission. Sheffield City Council themselves are under significant financial pressure and we are grateful that they did apply an uplift of 9.74% to our day care fees and 11.5% to our residential care fees. Sheffield City Council still continue to promote care at home as the preferred option, the impact on Sheffcare being a shorter length in stay and a more dependent resident upon admission.

Occupancy is increasing positively, although is still not back to pre-pandemic levels. As a result, we have remained very cautious in our budget forecasts.

b. Sheffcare's people – our staff and volunteers

At Sheffcare we recognise that our staff and volunteers are our greatest asset. Sadly social care is still poorly understood and underfunded, and doesn't have the profile or recognition of the NHS. When we ask staff why they work in this sector with all its challenges, we often hear "I love the residents". We are lucky to have some truly amazing people working together to provide the best possible care for our residents and service users. We are grateful for the dedication, commitment, hard work and kindness that all staff show across our charity; in both caring roles and supporting roles. We continue to invest in staff training, learning and development, gradually starting to return to face to face training where we can.

We have some of the best retention rates in adult social care, and whilst recruitment in this sector is difficult, we have significantly lower vacancy rates than other social care organisations. This is important to us for our residents and service users to be surrounded by trusted familiar faces.

Our volunteering programme is slowly growing back following the pandemic. We have volunteer befrienders in all of our homes, volunteer gardeners, drivers and of course our Trustees.

Our Everyone Matters group is our staff forum, with representatives from all homes and teams meeting together To share ideas, raise issues and problem solve together. The group have suggested and driven changes and improvements in many aspects of our work.

c. Care Quality Commission (CQC)

The CQC regulate our services and either visit or assess remotely to ensure that we are adhering to the national minimum standards. All our services have been inspected. Eight services out of the nine have been rated as 'Good'. One home was rated as "Requires Improvement" in 2019 and an action plan was completed to address the particular area of concern. Unfortunately we have not yet had a further inspection to give us the opportunity to have the rating updated. We continue with our strategy to move services from 'Good' to 'Outstanding' and have action plans in place to ensure that the home which requires improvement is rated 'Good' on future inspections.

d. Technology

Technology continues to support our plans at Sheffcare as we progress with our rollout of Person Centred Care (PCS) implementing electronic care plans across the charity. All nine homes now use PCS, with the longest established homes supporting those who were further down the roll-out process. This is a key area of investment for Sheffcare as utilising technology can assist us in enhancing our care provision. Other areas of technology will be reviewed by the Board to evaluate their suitability for Sheffcare.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The Executive team and Trustees regularly review and scrutinise the organisation's risk register; identifying the major risks to which the charity is exposed and ensuring that appropriate systems are in place to mitigate exposure to those risks. The main risks are detailed below together with the steps taken to manage and mitigate those risks.

a. Safety and Compliance Risk

Fire risk and simulated evacuations are being managed and mitigated for with a series of actions agreed with the Fire Department and monitored by nominated Health and Safety Officer, who is our Director of Facilities, John Dawson.

Adverse weather planning is included in the Emergency and Business Continuity Plans to manage and mitigate for this risk as far as possible. Actions include the Director of Facilities reviewing Snow and Ice Plan; ensuring sufficient stock of gritting materials is pre-positioned before onset of cold weather. Registered managers monitor the weather forecasts and are proactive with gritting procedures. Individual care homes identify vital walkways and areas at most risk and staff to pre-treat these areas as priority.

b. Business Risk**Major Asset Failure or Major Incident**

Many of the care homes have old mechanical, electrical and engineering equipment that could be liable to failure. We mitigate, by mandatory inspection/service schedules, as part of a planned maintenance regime and have in place a contingency plan for replacements. All homes could experience a major incident such as flooding or fire. Any such incident would require implementation of the Business Emergency Plan. Managers and Central Support Staff have a firm understanding on what measures are required in reaction to an incident.

SYPA Scheme Deficit

Whilst the South Yorkshire Pension Authority fund is in surplus at 31 March 2023, a significant deficit could have a major financial impact on the business when the last employee, who is part of that scheme, leaves Sheffcare. We currently have 8 remaining staff in the scheme. Sheffcare remain in contact with Sheffield City Council (who is the guarantor of the Sheffcare scheme) and the South Yorkshire Pension Scheme to discuss options regarding the future of the scheme.

Funding Risks

There is a heavy reliance on local authority funding for many residents and we recognise that the level of funding which is challenging at best could be at further risk in times of austerity or economic decline. The new upcoming national policy changes allowing privately funded residents to request that the local authority arrange their care for the same local authority fee also presents a serious financial risk which threatens the viability of the entire care home sector. These policy changes have been postponed until October 25 and any change in political direction could delay or change them further.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Financial review**a. Results of the year**

As shown in the Statement of Financial Activities on page 16, total income in the year amounted to £12,071,252 (2022: £12,324,290) and our total expenses amounted to £12,818,994 (2022: £12,671,083) resulting in a pre-pension adjustment operating deficit of £747,742 compared to a deficit of £346,793 in 2022. Staff costs during the year amounted to 77% of income, of which 72% is Care and 5% Administration (2022: Care 69%, Administration 4%).

During the year average occupancy levels were 79% (2022: 73 %).

There was an actuarial gain on the defined benefit pension scheme of £5,696,000 (2022: gain of £1,850,000). The overall surplus for the year was £4,948,728 (2022: surplus £1,503,207).

Total funds carried forward at 31 March 2023 were £10,321,014 (2022 - Re-stated: £5,372,756) of which £9,975,299 (2022 – Re-stated: £4,957,482) are unrestricted and £345,715 (2022: £415,274) are restricted.

b. Pension scheme

The charity provides a defined benefit pension scheme available to certain employees. This pension benefit is provided by the charity's contribution to the South Yorkshire Pension Authority Scheme (SYPA). As a result of the fund performing exceptionally well this year the charity's scheme is in surplus as detailed in note 21.

Under the provisions of FRS102, the charity is required to recognise the surplus within its balance sheet, if certain criteria are met. The reported FRS102 pension benefit this year is showing a surplus of £2.23m compared to a deficit of £3.39m in 2022. This movement is principally driven by the actuarial gain on the plan assets and liabilities amounting to £5.67m during the period.

The asset is, of course, a statement of the theoretical pension asset of the Charity at the balance sheet date based upon current assumptions of future discount rates; future discount salary and pension increases and inflation.

The trustees have received information from the schemes actuaries regarding the surplus and following FRS102 a pension scheme surplus should only be recognised to the extent that the surplus can be recovered through reduced future contributions or through refunds from the plan. However, in the opinion of the trustees, a pensions scheme surplus should be recognised in order to provide consistency and give a true and fair view. The pension surplus is shown separately within unrestricted funds for charity.

c. Reserves Policy

The charity's reserves policy has been reviewed by the trustees in the year, and it has been agreed that a more risk based approach to reserves is appropriate.

The main area of risk for the organisation continues to be that of a fall in occupation levels. The trustees have set a reserves policy amount 5% below the prevailing break-even position. Budgets have been prepared for the financial year 2023-24 which forecast that the occupancy level at the break-even position is 82%.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Utilising the outputs from the budgets and other risk registers to identify the impact of the financial risks, whilst also factoring in the suggested level of Board approved Designated Funds. The Reserves Target for 2022-23 was as follows:

Maximum annual cash impact of beds fees falling 5% below current break-even levels	£819,772
Contingency to cover un-budgeted capital and project expenditure (standard)	£50,000
SYPA Scheme Deficit Repayment (standard)	£46,800
Board Approved Designated Funds (reviewed annually)	£100,000
Free Reserves Target – March 2023	<u>£1,016,572</u>

The value of free reserves at 31 March 2023 is £896,637 (2022: £1,431,200) and comprises;

Unrestricted general reserves (excl. the pension deficit)	£7,645,199
Fixed assets funded by unrestricted funds	(£9,363,612)
Associated bank loans	<u>£2,615,050</u>
Total free reserves	<u>£896,637</u>

The results of the year show a deficit of £119,935 on the free reserves target as set out in the adopted Reserves Policy above. The deficit on the reserves target is due to an additional repayment of £300,000 towards the loan. While the trustees acknowledge that the year-end free reserves are below the target the Trustees are confident that reserve levels can continue to grow in the mid to long term, due to the increase in occupancy. The non-standard elements are to be reviewed annually in-line with the budget approval process.

A summary of reserves at 31 March 2023 is:

	£
Designated	100,000
Unrestricted (Including Share Capital)	7,645,299
Pension	2,230,000
Restricted	<u>345,715</u>
Total Reserves	<u>10,321,014</u>

Trustees' interests

None of the trustees who held office at the end of the financial year had any interest in the charitable company.

Liability insurance

Insurance for trustees and officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is in place. The cost of maintaining liabilities insurance during the year amounted to £2,159 (2022: £1,799).

Employees and Volunteers

The charitable company has a policy of offering employment / volunteering opportunities to persons with disabilities, where possible, as part of our overall equal opportunities policy.

Strategy and Future Plans - Summary

Sheffcare continues to focus on developing further residential and day care services for people living with dementia as we move away from providing general residential care which is increasingly being delivered in a community setting. This is in line with our strategy which aims to deliver excellence in dementia care.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

We continue to review care homes in Sheffield which come on to the market to determine if they are a suitable acquisition for Sheffcare as we move towards creating higher environmental standards such as en-suite facilities and increased indoor and outdoor space.

We continue to invest in the development and expansion of meaningful activities, events and trips for our residents. We are also committed to maintaining and developing links with the local communities that surround our care homes and our day centres.

Fundraising Statement

In the financial year the charity did not actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities in its own right or via a trading subsidiary or third party. The trustees were though pleased to receive unsolicited gifts from relatives and local businesses who generously support our residents comfort fund. We were grateful to receive small restricted grants from Sheffield City Council Local Area Committees, Healthwatch Sheffield and South Yorkshire Fire & Rescue.

Trustees' responsibilities statement

The trustees (who are also directors of Sheffcare Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

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


SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Auditor

The auditor, MCABA Limited t/a Mitchells, have indicated their willingness to continue in office, subject to approval by the members at the AGM.

This report incorporating the Strategic Report was approved by the trustees on 5 October 2023 and signed on their behalf by:

DocuSigned by:

CA2043DAED5141A
Dr David Johnson
Chairman

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

Opinion

We have audited the financial statements of Sheffcare Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- 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's 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 trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

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:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charitable company and the sector in which they operate. We determined that the following laws and regulations were most significant; the Companies Act 2006, Charities Act 2011, Charities SORP (FRS 102), Health and Social Care Act 2012 and Care Quality Commission (Registration) Regulations 2009.
- We obtained an understanding of how the group and charitable company are complying with those legal and regulatory frameworks by making inquiries to relevant members of the management team. We corroborated our inquiries through our review of board minutes and inquiry into legal fees incurred in the year.
- We assessed the susceptibility of the group and charitable company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying the controls management has in place to prevent and detect fraud and assessing the operation of these controls
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process
 - Performed analytical procedures to identify any unusual or unexpected variances
 - Identifying and testing journal entries, in particular any journal entries that were large or unusual in nature
 - Assessing the extent of compliance with the relevant laws and regulations governing the company and the sector it operates within. This included a review of any potential breaches during and since the year end
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Agreeing financial statement disclosures to underlying supporting documentation

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

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit>. This description forms part of our auditor's report.

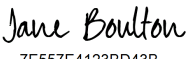
SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Jane Boulton (Senior Statutory Auditor)

For and behalf of
MCABA Limited t/a Mitchells
Chartered Accountants & Statutory Auditor
91-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Date 06 October 2023
Date.....

SHEFFCARE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Restated Total funds 2022 £
Income from:					
Donations and legacies	2	-	6,693	6,693	9,301
Charitable activities	3	11,912,131	134,082	12,046,213	12,312,494
Investments	4	18,346	-	18,346	2,495
Total income		11,930,477	140,775	12,071,252	12,324,290
Expenditure on:					
Raising funds		17,969	-	17,969	18,286
Charitable activities					
Charitable activities - Ongoing		12,590,691	210,334	12,801,025	12,194,305
Charitable activities – Disposals		-	-	-	458,492
Total expenditure	5	12,608,660	210,334	12,818,994	12,671,083
Net (expenditure)/income before other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	21	(678,183)	(69,559)	(747,742)	(346,793)
		5,696,000	-	5,696,000	1,850,000
Net movement in funds		5,017,817	(69,559)	4,948,258	1,503,207
Reconciliation of funds:					
Total funds brought forward as previously stated		4,957,482	415,274	5,372,756	3,709,673
Prior Year Adjustment					159,876
Total funds brought forward as restated		4,957,482	415,274	5,372,756	3,869,549
Net movement in funds		5,017,817	(69,559)	4,948,258	1,503,207
Total funds carried forward	16	9,975,299	345,715	10,321,014	5,372,756

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023


	Note	£	2023 £	£	Re-stated 2022 £
Fixed assets					
Tangible assets	10		9,606,767		10,218,049
Current assets					
Debtors	12	1,167,303		1,444,854	
Cash at bank and in hand	19	2,159,499		2,103,952	
		3,326,802		3,548,806	
Creditors: amounts falling due within one year	13	(2,340,020)		(2,118,262)	
Net current assets			986,782		1,430,544
Total assets less current liabilities			10,593,549		11,648,593
Creditors: amounts falling due after more than one year	14		(2,502,535)		(2,889,837)
Net assets excluding pension scheme assets			8,091,014		8,758,756
Defined benefit pension scheme surplus/(deficit)	21		2,230,000		(3,386,000)
Net assets			10,321,014		5,372,756
Charity funds					
Restricted funds	16		345,715		415,274
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	7,745,199		8,343,382	
Unrestricted funds excluding pension liability		7,745,299		8,343,482	
Pension reserve	16	2,230,000		(3,386,000)	
Total unrestricted funds			9,975,299		4,957,482
Total funds			10,321,014		5,372,756

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the Trustees on 5 October 2023 and signed on their behalf by:

DocuSigned by:

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Dr David Johnson, Chairman

The notes on pages 21 to 45 form part of these financial statements.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	£	2023 £	£	Re-stated 2022 £
Fixed assets					
Tangible assets	10		9,606,767		10,218,049
Investment in subsidiary	11		1		1
			9,606,768		10,218,050
Current assets					
Debtors	12	1,167,471		1,516,489	
Cash at bank and in hand	19	2,159,419		2,032,324	
		3,326,890		3,548,813	
Creditors: amounts falling due within one year	13	(2,340,020)		(2,118,262)	
Net current assets			986,870		1,430,551
Total assets less current liabilities			10,593,638		11,648,601
Creditors: amounts falling due after more than one year	14		(2,502,535)		(2,889,837)
Net assets excluding pension scheme liabilities			8,091,103		8,758,764
Defined benefit pension scheme surplus/ (deficit)	21		2,230,000		(3,386,000)
Net assets including pension scheme liabilities			10,321,103		5,372,764
Charity funds					
Restricted funds	16		345,715		415,274
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	7,745,288		8,343,390	
Unrestricted funds excluding pension liability		7,745,388		8,343,490	
Pension reserve	16	2,230,000		(3,386,000)	
Total unrestricted funds			9,975,388		4,957,490
Total funds			10,321,103		5,372,764

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The surplus for the year is £4,948,338.

The financial statements were approved and authorised for issue by the Trustees on 5 October 2023 and signed on their behalf, by:

DocuSigned by:

CA2013DAED5141A...
Dr David Johnson, Chairman

The notes on pages 21 to 45 form part of these financial statements.

SHEFFCARE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	18	766,497	366,457
Cash flows from investing activities:			
Interest received		18,346	2,495
Purchase of tangible fixed assets		(241,027)	(2,045,180)
Proceeds from sale of tangible fixed assets		2,800	-
Net cash used in investing activities		(219,881)	(2,042,685)
Additional borrowings		-	1,250,000
Repayments of borrowings		(491,069)	(193,516)
Net cash provided by financing activities		(491,069)	1,056,484
Change in cash and cash equivalents in the year		55,547	(619,744)
Cash and cash equivalents brought forward		2,103,952	2,723,696
Cash and cash equivalents carried forward	19	2,159,499	2,103,952

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies**1.1 Company Status**

The charitable company is a company limited by guarantee with share capital. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.2 Basis of preparation of financial statements

Sheffcare Limited is a charitable company in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are on page 3 of these financial statements.

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), and the Companies Act 2006.

Sheffcare Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The subsidiary undertaking has taken exemption from audit as a guarantee has been given by Sheffcare Limited under S479C of the Companies Act 2006 which guarantees all outstanding liabilities to which the subsidiary entity is subject at the year end.

The charity has taken advantage of the exemption allowed under section 408 of the Companies act 2006 and has not presented its own statement of financial activities or cash flow statement in these financial statements. The surplus for the Charity is £4,948,338.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)***Fund accounting (continued)***

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

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

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for a specific purpose but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)
1.6 Redundancy payments

Redundancy benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Charity recognises redundancy benefits when it is committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

1.7 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred by the company in relation to providing residential care, respite care and specialist care services including support costs and costs relating to the governance of the company apportioned to charitable activities.

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

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at purchase cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Leasehold property	-	25/50 years or the term of the lease if shorter
Leasehold renovations	-	5-10 years
Motor vehicles	-	4 years
Fixtures and fittings	-	4 years

1.9 Interest receivable

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

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)**1.10 Investments**

Investments in subsidiaries are valued at cost.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Pension costs

The charity contributes to a pension scheme operated by The South Yorkshire Pension Authority providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme asset or deficit is recognised in full. The movement in the scheme asset or deficit is split between operating charges, finance items and actuarial gains and losses. Further details regarding the scheme are disclosed in note 21.

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the SOFA in the year they are payable.

1.15 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)**1.16 Taxation**

The 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 company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 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.

1.17 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.18 Critical accounting estimates and areas of judgment

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

Critical accounts estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The following estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are set out below.

South Yorkshire Pension Fund Liability:

The present value of the South Yorkshire defined benefit pensions liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability.

There is a large actuarial gain this year due to the effect of the significant change in the discount rate outweighing the effects of lower asset returns and increased inflation assumptions. The detailed assumptions for this and the prior year are disclosed in note 21.

Property:

The carrying value of property and annual impairment reviews are subject to assessment involving estimates on future occupancy and state of repair of the properties.

Support costs:

Some costs incurred by the charity such as IT, insurance, and postage are shared between activities. The charity's policy is to allocate these costs on the basis of assessed consumption. This includes allocation between funds which are material by nature.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)

1.19 Operating Leases

Lease payments are recognised as an expense over the lease term on a straight line basis.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	-	6,693	6,693	9,301
<i>Total 2022</i>	-	9,301	9,301	

3. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Residential bed fees	11,723,997	-	11,723,997	10,531,305
Private day care	131,245	-	131,245	262,562
Grant income	-	126,361	126,361	1,405,823
Other income	56,889	7,721	64,610	112,804
	11,912,131	134,082	12,046,213	12,312,494
<i>Total 2022</i>	10,901,733	1,410,761	12,312,494	

4. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest received	18,346	-	18,346	2,495
<i>Total 2022</i>	2,495	-	2,495	

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Analysis of expenditure by expenditure type

	Staff costs 2023 £	Depreciation & Disposals 2023 £	Other costs 2023 £	Total 2023 £	Total 2022 £
Costs of raising funds					
Advertising and publicity	-	-	17,969	17,969	18,286
	-	-	17,969	17,969	18,286
Charitable activities					
Operation of care homes	9,292,325	849,510	2,582,315	12,724,150	12,525,350
Expenditure on governance costs (note 6)	42,333	-	34,542	76,875	127,447
	9,334,658	849,510	2,634,826	12,818,994	12,671,083
<i>Total 2022</i>	8,976,396	1,289,506	2,405,181	12,671,083	

Other costs

	2023 £	2022 £
Direct costs		
Premises	783,734	818,613
Provisions	654,113	538,842
Other resident costs	226,551	204,057
Other staff costs	122,114	88,390
Sub-total	1,786,512	1,649,902
Support costs		
Miscellaneous	30,437	50,549
Auditor's remuneration	17,400	17,406
Legal & professional	17,142	70,276
Office costs	544,568	424,082
Interest	129,798	66,681
Net pension financing cost (note 9)	91,000	108,000
Advertising and publicity	17,969	18,286
Sub-total	848,314	755,280
Total	2,634,826	2,405,182

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Governance costs

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Auditor's remuneration	17,400	-	17,400	17,406
Legal & professional	17,142	-	17,142	70,276
Wages and salaries	42,333	-	42,333	39,765
	76,875	-	76,875	127,447

7. Net income/ (expenditure)

This is stated after charging:

	2023	2022
Depreciation of tangible fixed assets:		
- depreciation	840,674	830,205
- loss on disposals	8,836	459,301
Auditor's remuneration – audit	17,400	17,406

During the year, no Trustees received any remuneration (2022: £NIL).

During the year, no Trustees received any benefits in kind (2022: £NIL).

1 Trustee received reimbursement of expenses amounting to £285 in the current year, (2022: 1 Trustee - £16) in relation to travel expenses.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Staff costs

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	7,829,407	7,511,186
Social security costs	541,902	495,351
Other pension costs	237,151	233,679
	8,608,460	8,240,216
Agency costs	726,198	736,180
Total	9,334,658	8,976,396

The above figures include redundancy payments totalling £10,670 (2022: £nil), relating to 1 employee (2022: nil). This represents the full amount of redundancy payments and has been recognised as an expense in the Statement of Financial Activities. There have been no termination payments made during the year (2022: £nil).

The average number of persons (full time and part-time) employed by the company during the year was as follows:

	2023	2022
	No.	No.
Care Services	423	435
Management and administration of the charity	29	29
	452	464

The number of higher paid employees was:

	2023	2022
	No.	No.
In the band £90,001 - £100,000	0	0
In the band £80,001 - £90,000	0	0
In the band £70,001 - £80,000	1	1
In the band £60,001 - £70,000	1	1

The key management personnel of the parent charity, comprise the trustees, the Chief Executive Officer, Director of Finance, Care and Operations Director/Deputy Chief Executive Officer, Director of HR and Director of Facilities. During the year the key management personnel costs including employer's pension and NI were £360,270 (2022: £315,222).

At the year end, pension contributions outstanding amounted to £4,729 (2022: £4,644).

9. Other finance expense

	2023	2022
	£	£
Interest income on pension scheme assets	568,000	415,000
Interest on pension scheme liabilities	(659,000)	(523,000)
	(91,000)	(108,000)

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Tangible fixed assets

Group & Charity

	Freehold property £	Leasehold property £	Leasehold renovations £	Motor vehicles £	Fixtures and fittings £
Cost					
At 1 April 2022	2,525,000	6,066,431	4,356,609	51,360	1,805,592
Prior Year Adjustment	-	23,502	-	-	-
Re-stated Opening Balance	2,525,000	6,089,933	4,356,609	51,360	1,805,592
Additions	-	-	149,554	-	91,474
Disposals	-	-	-	-	(57,668)
At 31 March 2023	2,525,000	6,089,933	4,506,163	51,360	1,839,398
Depreciation					
At 1 April 2022	131,709	2,058,553	1,330,729	36,380	1,189,448
Prior Year Adjustment	22,666	(159,040)	-	-	-
Re-stated Opening Balance	154,375	1,899,513	1,330,729	36,380	1,189,448
Charge for the year	50,500	130,024	354,382	12,840	292,928
Disposals	-	-	-	-	(46,032)
At 31 March 2023	204,875	2,029,537	1,685,111	49,220	1,436,344
Net book value					
At 31 March 2023	2,320,125	4,060,396	2,821,052	2,140	403,054
At 31 March 2022	2,370,625	4,190,420	3,025,880	14,980	616,144
					Total
					£
Cost At 1 April 2022					14,804,992
Prior Year Adjustment					23,502
Re-stated Opening Balance					14,828,494
Additions					241,028
Disposals					(57,668)
At 31 March 2023					15,011,854
Depreciation					
At 1 April 2022					4,746,819
Prior Year Adjustment					(136,374)
Re-stated Opening Balance					4,610,445
Charge for the year					840,674
Disposals					(46,032)
At 31 March 2023					5,405,087
Net book value					
At 31 March 2023					9,606,767
At 31 March 2022 – Re-stated					10,218,049

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Fixed asset investments

	Investments in subsidiary companies £	Total £
Charity		
Cost or valuation		
At 1 April 2022	1	1
Additions	-	-
Disposals	-	-
Revaluations	-	-
At 31 March 2023	1	1
Net book value		
At 31 March 2023	1	1
At 31 March 2022	1	1

Principal subsidiaries

The following was a subsidiary undertaking of the charity which has been consolidated in the group financial statements:

Name	Company number	Principal activity	Class of shares	Holding
Sheffcare Services Limited	13240691	Negotiation and management of publicly funded contracts	Ordinary	£1

The financial results of the subsidiary for the year were:

	Income £	Expenditure £	Profit / loss for the year £	Net assets £
Sheffcare Services Limited	-	80	(80)	(87)

The charity holds 1 share of £1 in its wholly owned trading subsidiary company Sheffcare Services Limited which is incorporated in the England and Wales. These are the only shares allotted, called up and fully paid.

Subsidiary exemption from audit

The subsidiary listed above has claimed exemption from audit for their individual financial statement under S479A of the Companies Act 2006.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	732,061	667,435	732,061	667,435
Prepayments and accrued income	355,702	622,641	355,702	622,641
Other debtors	79,540	154,778	79,708	226,413
	1,167,303	1,444,854	1,167,471	1,516,489

13. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans and overdrafts (note 14)	112,515	216,282	112,515	216,282
Trade creditors	410,464	185,134	410,464	185,134
Other creditors	588,415	665,879	588,415	665,879
Accruals and deferred income	1,228,626	1,050,967	1,228,626	1,050,967
	2,340,020	2,118,262	2,340,020	2,118,262

Included within deferred income are bed fees received in advance as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deferred income				
Deferred income at 1 April 2022	454,926	435,411	454,926	435,411
Resources deferred during the year	518,179	454,926	518,179	454,926
Amounts released from previous years	(454,926)	(435,411)	(454,926)	(435,411)
Deferred income at 31 March 2023	518,179	454,926	518,179	454,926

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	2,502,535	2,889,837	2,502,535	2,889,837

Included within the above are amounts falling due as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<i>Less than one year</i>				
Bank loans	112,515	216,282	112,515	216,282
<i>Between one and two years</i>				
Bank loans	122,584	218,023	122,584	218,023
<i>Between two and five years</i>				
Bank loans	2,379,951	2,671,814	2,379,951	2,671,814
Total	2,615,050	3,106,119	2,615,050	3,106,119

The bank loans are secured by way of debenture over the assets held by the company. A legal charge is also held on the freehold and leasehold land and buildings. The group pays a margin of 2.35% and 2.75% plus base rate on its bank loans, with a re-payment profile of 15 years.

15. Share capital

Group & Charity

	2023 £	2022 £
<i>Authorised, allotted, called up and fully paid</i>		
100- Ordinary shares of £1 each	100	100

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds

Statement of funds - current year

Re-stated

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
General funds						
General unrestricted funds	8,243,390	11,930,477	(12,528,580)	-	-	7,645,287
General – trading subsidiary	(8)	-	(80)	-	-	(88)
Share capital	100	-	-	-	-	100
Pension reserve	(3,386,000)	-	(80,000)	-	5,696,000	2,230,000
	4,857,482	11,930,477	(12,608,660)	-	5,696,000	9,875,299
Total Unrestricted funds	4,957,482	11,930,477	(12,608,660)	-	5,696,000	9,975,299
Restricted funds						
Comfort funds	115,526	14,414	(27,381)	-	-	102,559
Grant Income - Infection Prevention Control	299,748	-	(130,995)	-	-	168,753
Grant Income – SCC Local Area Committees	-	1,000	(1,000)	-	-	-
Grant Income – Kickstart Scheme	-	18,651	(18,651)	-	-	-
Grant Income – South Yorkshire Fire & Rescue	-	104,710	(30,307)	-	-	74,403
Grant Income – Speak Up Grant	-	2,000	(2,000)	-	-	-
	415,274	140,775	(210,334)	-	-	345,715
Total of funds	5,372,756	12,071,252	(12,818,994)	-	5,696,000	10,321,014

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

Statement of funds – Prior Year – Re-stated

	Balance at 1 April 2021 £	Prior Year Adjustment £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds							
Capital contingency	100,000	-	-	-	-	-	100,000
	100,000	-	-	-	-	-	100,000
General funds							
General unrestricted funds	8,203,182	159,876	10,904,228	(11,023,896)	-	-	8,243,390
General trading subsidiary	-	-	-	(8)	-	-	(8)
Share capital	100	-	-	-	-	-	100
Pension reserve	(5,135,000)	-	-	(101,000)	-	1,850,000	(3,386,000)
	3,068,282	159,876	10,904,228	(11,124,904)	-	1,850,000	4,857,482
Total Unrestricted funds	3,168,282	159,876	10,904,228	(11,124,904)	-	1,850,000	4,957,482
Comfort funds	120,378	-	14,240	(19,092)	-	-	115,526
Grant Income -Infection Prevention Control	421,013	-	315,473	(436,738)	-	-	299,748
Grant Income - Lateral Flow Device	-	-	255,095	(255,095)	-	-	-
Grant Income - Workforce Capacity	-	-	104,480	(104,480)	-	-	-
Grant Income – Workforce Recruitment and Retention	-	-	513,437	(513,437)	-	-	-
Grant Income – Vaccine Grant	-	-	9,024	(9,024)	-	-	-
Grant Income – NLW Grant	-	-	167,528	(167,528)	-	-	-
Grant Income – Sheffield Town Trust	-	-	2,000	(2,000)	-	-	-
Grant Income – SCC Local Area Committees	-	-	250	(250)	-	-	-
Grant Income – Kickstart scheme	-	-	38,535	(38,535)	-	-	-
	541,391	-	1,420,062	(1,546,179)	-	-	415,274
Total of funds	3,709,673	159,876	12,324,290	(12,671,083)	-	1,850,000	5,372,756

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

Designated funds

The Trustees have designated funds of £100,000 to cover any potential overspends on capital and project budgets during the course of the year.

Restricted funds

Comfort funds – this is fundraising undertaken at a home level with the purpose being that the funds are spent on items for the benefit of the residents.

Grant income received from SCC Local Area Communities was to hold a community event for our residents at Sheffcare.

Grant income received as part of the Kickstart Scheme, was to create new jobs for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment.

Grant income received from South Yorkshire Fire & Rescue was to contribute 50% towards the cost of installing fire sprinkler system at Knowle Hill & Valley Wood.

Grant income received from Healthwatch Sheffield in relation to the Speak Up Grants Scheme to fund a series of events with our residents and their families to talk about their experiences and views on lockdowns.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Statement of funds (continued)

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Designated funds	100,000	-	-	-	-	100,000
General funds	4,857,482	11,930,477	(12,608,660)	-	5,696,000	9,875,299
	4,957,482	11,930,477	(12,608,660)	-	5,696,000	9,975,299
Restricted funds	415,274	140,775	(210,334)	-	-	345,715
	5,372,756	12,071,252	(12,818,994)	-	5,696,000	10,321,014

Summary of funds - prior year – Re-stated

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Re-stated Balance at 31 March 2022 £
Designated funds	100,000	-	-	-	-	100,000
General funds	3,068,282	10,904,228	(10,965,028)	-	1,850,000	4,857,482
	3,168,282	10,904,228	(10,965,028)	-	1,850,000	4,957,482
Restricted funds	541,391	1,420,062	(1,546,179)	-	-	415,274
	3,709,673	12,324,290	(12,511,207)	-	1,850,000	5,372,756

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Analysis of net assets between funds**Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	9,363,611	243,156	9,606,767
Current assets	3,224,243	102,559	3,326,802
Creditors due within one year	(2,340,020)	-	(2,340,020)
Creditors due in more than one year	(2,502,535)	-	(2,502,535)
Defined benefit scheme surplus/(deficit)	2,230,000	-	2,230,000
	9,975,299	345,715	10,321,014

Analysis of net assets between funds - prior year – Re-stated

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,918,301	299,748	10,218,049
Current assets	3,433,280	115,526	3,548,806
Creditors due within one year	(2,118,262)	-	(2,118,262)
Creditors due in more than one year	(2,889,837)	-	(2,889,837)
Defined benefit scheme surplus/(deficit)	(3,386,000)	-	(3,386,000)
	4,957,482	415,274	5,372,756

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net (expenditure)/ income for the year (as per Statement of Financial Activities)	(747,742)	(346,793)
Adjustment for:		
Depreciation charges	840,674	830,205
Pension scheme adjustment	80,000	101,000
Interest from investments	(18,346)	(2,495)
Loss on the sale of fixed assets	8,835	459,301
(Increase)/decrease in debtors	277,551	(663,846)
Increase/(decrease) in creditors	325,525	(10,915)
	766,497	366,457

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. Analysis of cash and cash equivalents

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Cash in hand	2,159,499	2,103,952	2,159,419	2,032,324
Total	2,159,499	2,103,952	2,159,419	2,032,324

20. Analysis of changes in net debt

	At 1 April 2022	Cash Flows	At 31 March 2023
	£	£	£
Cash in hand	2,103,952	55,547	2,159,499
Bank loan (due in 1 year)	(216,282)	103,767	(112,515)
Bank loan (due in over 1 year)	(2,889,837)	387,302	(2,502,535)
Total	(1,002,167)	546,616	(455,551)

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. Pension commitments

The company operates a defined contribution pension scheme with NEST. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £158,367 (2022: £149,541).

The company also operates a defined benefit funded statutory pension scheme administered by the South Yorkshire Pensions Authority in accordance with the Local Government Pension Scheme Regulations 1995. A triennial actuarial valuation of this fund was last carried out in accordance with the Regulations as at 31 March 2022.

The principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages) were:

	2023	2022
Discount rate at 31 March	4.75%	2.70%
Future salary increases	3.60%	4.30%
Future pension increases	3.00%	3.30%

FRS102 requires the present value of pension liabilities to be calculated by discounting pension commitments, including salary growth, based on corporate bond yields. The FRS102 value of liabilities at March 2023 was £18,288,000 (2022: £24,750,000) and the market value of assets was £20,518,000 (2022: £21,364,000) giving a scheme surplus of £2,230,000 (2022: deficit £3,386,000).

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March	Fair value at 31 March
	2023	2022
	£	£
Equities	13,952,240	14,100,240
Government Bonds	4,719,140	5,127,360
Property	1,641,440	1,922,760
Cash	205,180	213,640
Total market value of assets	20,518,000	21,364,000

The actual return on scheme assets was a loss of £215,000 (2022 Gain: £1,908,000).

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2023	2022
	£	£
Current service cost	(79,000)	(83,000)
Interest on obligation	(659,000)	(523,000)
Expected return on scheme assets	568,000	415,000
Administration expenses	-	-
	<hr/>	<hr/>
Total	(170,000)	(191,000)

Movements in the present value of the defined benefit obligation were as follows:

	2023	2022
	£	£
Opening defined benefit obligation	24,750,000	25,209,000
Current service cost	79,000	83,000
Interest cost	659,000	523,000
Contributions by scheme participants	14,000	15,000
Actuarial (gains)/losses	(6,457,000)	(379,000)
Benefits paid	(757,000)	(701,000)
	<hr/>	<hr/>
Closing defined benefit obligation	18,288,000	24,750,000

Changes in the fair value of scheme assets were as follows:

	2023	2022
	£	£
Opening fair value of scheme assets	21,364,000	20,074,000
Expected return on assets	568,000	415,000
Actuarial gains and (losses)	(761,000)	1,471,000
Contributions by employer	90,000	90,000
Contributions by scheme participants	14,000	15,000
Administration expenses	-	-
Benefits paid	(757,000)	(701,000)
	<hr/>	<hr/>
	20,518,000	21,364,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was a gain of £5,696,000 (2022: Gain £1,850,000).

The company expects to contribute £0 to its defined benefit pension scheme in 2023-24.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2023 £	2022 £
Defined benefit obligation	(18,288,000)	(24,750,000)
Scheme assets	20,518,000	21,364,000
	2,230,000	(3,386,000)
Experience adjustments on scheme liabilities – Surplus/(deficit)	6,457,000	379,000
Experience adjustments on scheme assets – Surplus/(deficit)	(761,000)	1,471,000

22. Operating lease commitments

At 31 March 2023 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts payable:		
Within 1 year	75,174	69,192
Between 2 to 5 years	45,942	90,446
Total	121,116	159,638

Lease payments of £69,114 have been recognised as an expense in the statement of financial activities.

23. Related party transactions

The charitable company owns 100% of its subsidiary Sheffcare Services Limited. Recoverable VAT from the subsidiary amounting to £167 has been recharged to the parent company during the year and this amount remained outstanding at the year end (2022: £71,635).

24. Prior year adjustment

In prior periods, a review and write off of tangible fixed assets led to a misstatement. As a result, cost was understated by £23,502, accumulated depreciation was overstated by £136,374 and unrestricted funds were understated by £159,876.

This has been amended via a prior period adjustment and as such unrestricted funds brought forward have increased by £159,876.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Prior year adjustment (continued)

The impact on both fixed assets valuations and the value of unrestricted funds brought forward from 31 March 2022 is:

Cost of fixed assets adjustment	£23,502
Accumulated depreciation adjustment	£136,374
Fixed asset value adjustment	<u>£159,876</u>
Opening balance of unrestricted funds – 31 March 2022 - as previously stated	£4,797,606
Fixed asset value adjustment	£159,876
Closing balance of unrestricted funds – 31 March 2022 - restated	<u>£4,957,482</u>

The prior year adjustment was authorised by the trustees and covers freehold and leasehold property.

SHEFFCARE LIMITED

England & Wales - Charity number 1054227

Accounts

Registered number: 02538734
Charity number: 1054227

SHEFFCARE LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

SHEFFCARE LIMITED

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Trustees

David Johnson, Chair
Anna Gailey, Director (resigned 5th October 2022)
Brian Martin James, Director
Carole Janet Rainbird, Director
Scott Sanderson, Partner- Healthcare Sector
Sarah Kate Smith, Director
Valarie Michele Wightman
John Fuller (appointed 26th May 2022)

Company registered number

02538734

Charity registered number

1054227

Registered office

Springwood House, 192 Penrith Road, Sheffield, S5 8UG

Chief executive officer

Claire Rintoul

Senior management team

Claire Rintoul, Chief Executive Officer
Sarah Stapleton, Director of Finance
Tracey Payne, Care and Operations Director/Deputy Chief Executive Officer
Merewyn Scafe, Director of HR

Independent auditor

BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

Bankers

Barclays Bank, 1, St. Paul's Place, 121 Norfolk Street, Sheffield, S1 2JW

Solicitors

Hemingways Solicitors Limited, 11 Westbourne Road, Sheffield, S10 2QQ

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

A very warm welcome to this year's annual review.

In both my 2020 and 2021 report I highlighted how the year had been unprecedented and exceptional. It would seem that 'exceptional' and 'unprecedented' are words and terms that seem to be the new normal as we have once again experienced an exceptional and unprecedented year. I would like again to say a huge thank you and to pay tribute to the staff teams that have continued to provide exceptional care for the people that choose to live in our homes.

Adversity has visited us and tested us in a number of different formats this year. Whilst the lethal threat of covid has, thankfully, somewhat diminished, the constant 'lockdowns' as two or more staff members report covid symptoms has significantly affected our ability to accept new people into our homes.

The much-heralded changes to legalisation to 'solve the problems of social care' has been, well, disappointing to say the least; the political uncertainty that exists has not helped to stabilise the situation. The funding crisis in adult social care continues both nationally and locally. In Sheffield, the local authority continues to pay a very low tariff for our services compared to other local authorities across the country. This year we experienced a particularly challenging uplift in our fees from Sheffield City Council.

The war in Ukraine has led to the national cost of living crisis that we are all experiencing, this has hit the budgets of our staff members. It has also affected the cost of just about all items in our supply chain, and, of course, the cost of fuel that we use predominantly to heat our properties has increased dramatically. We have cut back in a number of areas but we cannot and will not compromise on warmth and good food in our homes.

The country is experiencing full employment, of course this is a great thing, however, it also means that recruiting and retaining staff in the social care sector is even harder.

Whilst we have battled adversity, we have also sought to work to our strategic plan and this year we have fully opened our new Valley Wood Home. Valley Wood's history was as a nursing home that closed when it no longer became financially viable. We purchased it and completely refurbished it. It is now our new home for people that experience dementia. Valley Wood was nearby two of our older homes and although the care was excellent, the facilities were not suitable for the future needs of our residents, so both homes came together in a newly refurbished building under the new name of Valley Wood.

This year has been challenging financially. We continue to be in a good financial position, thanks to prudent measures taken by our leadership team. Sheffcare has once again proved itself to be an effective, resilient organisation. We have risen to the challenges we have faced with a sense of collaboration, with kindness and as a team. We continue to look to the future and the opportunities that it will present with confidence and optimism.

Sheffcare exists to serve people in the communities that we work within, our staff teams have once again stood firm in the face of adversity and delivered excellent care to the people that live in our homes. This is our purpose and this is what we will carry on doing.

Dr David Johnson, Chairman
Date 24 January 2023



A handwritten signature in black ink, appearing to read 'David Johnson'.

**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

Objectives and Activities**a. Policies and objectives**

Sheffcare provides a range of services across Sheffield: residential social care, day care services, and specialist dementia services. This is delivered across nine sites. Sheffcare is in a strong market position being the largest social care provider in the area. Sheffcare has a strong and proud heritage, for over twenty years Sheffcare has delivered excellent care to the people who use our services. This is reflected by external monitoring reports from commissioners and regulators, along with positive comments from our annual surveys.

b. Our Purpose

To be the best provider of person-centred care to the people of Sheffield and the surrounding area.

c. Our Guiding Principle

Putting people who use our services at the heart of everything we do.

d. Our Values

Care will be delivered with compassion, dignity and respect putting the resident at the very heart of care delivery.

We ensure our care is safe, effective, individualised and is continually monitored and improved to meet new standards.

We actively value the contribution of all our staff through recognition, training and development.

e. Public Benefit

In setting the objectives for the year and planning the required activities the Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the trustees ensure that planned activities contribute to the charity's aims and objectives and in doing so Sheffcare continue to provide excellent care related services to the people of Sheffield and its surrounding area.

The trustees of Sheffcare firmly believe that the care services provided have been most beneficial to its residents and day centre attendees and that this has been proven by the positive feedback provided by residents, residents families, staff, stakeholders and regulators. By providing an excellent, professional, service Sheffcare has had a huge positive impact on local care services and the people that use them thus enhancing the quality of life within the local area.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management**a. Constitution**

The Company is registered as a charitable company limited by guarantee with a share capital. Its governing document is the Memorandum and Articles of Association.

b. Method of appointment and policy adopted for induction and training of trustees

Trustee vacancies are recruited depending on the particular skills and expertise which is required at the time to ensure that the widest possible range of expertise relevant to the charitable company's objects is maintained. New trustees are interviewed by members of the Board and appointed where they have the necessary skills to contribute to the effective governance of the Charity. On being appointed trustees receive a copy of the governing document, the most recent statutory accounts, an induction pack, and are introduced to the workings of the charity.

c. Organisational structure and decision making

Sheffcare Limited is governed by a Board of Trustees from whom day to day control is vested in a Chief Executive. Board meetings are held a minimum of six times each year and are supported by a Finance subcommittee, which is attended by a number of trustees, depending on their particular expertise. This year we established a new Quality sub-committee. The purpose of the committee is:

- ongoing monitoring and review of Sheffcare's care services and policies
- ensuring the correct structure, systems and processes are in place within Sheffcare to manage care quality, outcomes and impact and that these are monitored appropriately
- reviewing the systems of internal control, including complaints, incidents, surveys and feedback
- identifying, managing and reporting of clinical and operational risk
- ensuring Sheffcare is compliant with relevant legal and regulatory requirements, along with good practice
- ensuring that Sheffcare has a culture of continuous improvement, maximising opportunities for innovation and new services and embedding learning from projects and research.

The overall management of Sheffcare is provided by the Chief Executive, together with a small executive management team. Day to day responsibility for each home is delegated to a Registered Manager.

d. Pay policy for senior staff

The senior executive team is a small team of four. Pay for the Executive Team has been set by the trustees and is reviewed by the whole board on an annual basis. The pay scales are in line with those paid for similar roles within the wider care sector. It is essential that salaries are set at a level which both attract, retain and motivate staff. This is a consideration for the trustees when agreeing salary scales and salary increases.

e. Related party relationships

The charitable company Sheffcare Limited is the sole shareholder of Sheffcare Services Limited, whose principal activities are the negotiation and management of publicly funded contracts.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

f. Gender Pay Gap (GPG)

The GPG is based on the gross pay, per hour, for each employee during April (staff), and May (care), 2021. The hourly rate calculations are based on 58 male, and 413 female employees. The bonus calculations are based on 3 male, and 11 female employees.

Hourly rate

Difference in mean hourly rate of pay	1 %
Difference in median hourly rate of pay	0 %

Bonus pay

	Male	Female
Percentage of employees who received bonus pay	5.17 %	2.66 %
Difference in mean bonus pay		6 %
Difference in median bonus pay		0 %

Employees by pay quartile

	Male	Female
Upper quartile	14.5 %	85.5 %
Upper middle quartile	9.3 %	90.7 %
Lower middle quartile	15.3 %	84.7 %
Lower quartile	10.2 %	89.8 %

Strategic Report**Achievements and performance****a. Operating environment**

Sheffcare is proud to be a not-for-profit organisation. We continue, like all social care providers, to be in a very challenging economic climate where costs and inflation are rising significantly. This is compounded by our continuing reliance upon Sheffield Local Authority for the majority of our residents and service users' fees, which for the year was an average of 72% of all residents which is 1% lower than the previous year. Local authorities still pay a lower rate than self-funders which reduces income revenue and does not cover our full costs. This will result in significantly reduced income when the upcoming social care reforms come in, allowing private fee payers to request the local authority to arrange their care at the local authority rate. All local authorities will be required to carry out an exercise to establish the fair cost of care in 2022 and we await the outcome of that piece of work. Sheffield City Council still continue to promote

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

care at home as the preferred option, the impact on Sheffcare being a shorter length in stay and a more dependent resident upon admission.

Occupancy still remains affected by the impact of COVID 19, and although occupancy rates are rising in some homes, we are not back to pre-pandemic levels. As a result, we have remained very cautious in our budget forecasts.

This year we were able to purchase and refurbish a new care home which opened in March 2022 as Valley Wood, an all-dementia home with 54 beds. In line with our strategy, we closed two of our old ex-local authority care homes, Castelayn and Paddock Hill, which had smaller rooms and no en-suite facilities. Valley Wood is very close to both Castelayn and Paddock Hill care homes and supports the same part of Sheffield's local community.

All Castelayn and Paddock Hill residents were offered upgraded accommodation, at no additional cost at either Valley Wood or other Sheffcare homes. All staff from the two homes were offered employment at either Valley Wood or other Sheffcare homes and no member of staff was made redundant.

b. Volunteer and Staff Survey

At Sheffcare we recognise that our staff and volunteers are our greatest asset. Our staff surveys consistently demonstrate high levels of satisfaction across all areas. Consequently, we have some of the best retention rates in adult social care. Through the past year even when it was not possible for groups of people to come together physically, we have continued to invest in and develop our staff through e-learning and remote training. We furloughed staff who were required to self-isolate in line with Government Covid 19 guidance and these members of staff were paid their full pay.

Covid has had a huge impact on our volunteers ability to work with us, but we are very grateful to those who have been able to carry out their roles, including dedicated befrienders who have maintained supported window and pod visits. Our Everyone Matters Group meets regularly and gives representative members of staff from across the organisation the opportunity to come together, share ideas, raise issues and problem solve together.

c. Care Quality Commission (CQC)

The CQC regulate our services and either visit or assess remotely to ensure that we are adhering to the national minimum standards. All our services have been inspected. Nine services out of the ten have been rated as 'Good'. One home was rated as "Requires Improvement" in 2019 and an action plan was completed to address the particular area of concern. Unfortunately we have not yet had a further inspection to give us the opportunity to have the rating updated. We continue with our strategy to move services from 'Good' to 'Outstanding' and have action plans in place to ensure that the home which requires improvement is rated 'Good' on future inspections.

d. Technology

Technology continues to support our plans at Sheffcare as we progress with our rollout of Person Centred Care (PCS) implementing electronic care plans across the charity. All nine homes now use PCS, with the longest established homes supporting those who were further down the roll-out process. This is a key area of investment for Sheffcare as utilising technology can assist us in enhancing our care provision. Other areas of technology will be reviewed by the Board to evaluate their suitability for Sheffcare.

Risk management

The Executive team and Trustees regularly review and scrutinise the organisation's risk register; identifying the major risks to which the charity is exposed and ensuring that appropriate systems are in place to mitigate exposure to those risks. The main risks are detailed below together with the steps taken to manage and mitigate those risks.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

a. Safety and Compliance Risk

Fire risk and simulated evacuations are being managed and mitigated for with a series of actions agreed with the Fire Department and monitored by The Health and Safety Officer John Dawson.

Adverse weather planning is included in the Emergency and Business Continuity Plans to manage and mitigate for this risk as far as possible. Actions include the Property Services Manager (PSM) reviewing Snow and Ice Plan; ensuring sufficient stock of gritting materials is pre-positioned before onset of cold weather. Registered managers monitor the weather forecasts and are proactive with gritting procedures. Individual care homes identify vital walkways and areas at most risk and staff to pre-treat these areas as priority.

b. Business Risk**Major Asset Failure or Major Incident**

Many of the care homes have old mechanical, electrical and engineering equipment that could be liable to failure. We mitigate, by mandatory inspection/service schedules, as part of a planned maintenance regime and have in place a contingency plan for replacements. All homes could experience a major incident such as flooding or fire. Any such incident would require implementation of the Business Emergency Plan. Managers and Central Support Staff have a firm understanding on what measures are required in reaction to an incident.

COVID 19

The low levels of occupancy at Sheffcare due to the impact of COVID 19 has been reflected in care homes throughout the country and represents a significant business risk if occupancy doesn't improve.

Sheffcare has made use of the additional national funding for rapid testing, infection prevention and control and workforce recruitment and retention in order to maintain high standards of safety and care. We continue to work on our external communication in order to share pictures and good news stories that help reassure people that we continue to provide high quality of care, accessible visiting and meaningful activities in all of our care homes.

SYPA Scheme Deficit

A significant deficit in the South Yorkshire Pension Authority fund could have a major financial impact on the business when the last employee, who is part of that scheme, leaves Sheffcare. We currently have 8 remaining staff in the scheme. Sheffcare remain in contact with Sheffield City Council (who is the guarantor of the Sheffcare scheme) and the South Yorkshire Pension Scheme to discuss options regarding the future of the scheme.

Funding Risks

There is a heavy reliance on local authority funding for many residents and we recognise that the level of funding received could be at risk in times of austerity or economic decline. The new upcoming national policy changes allowing privately funded residents to request that the local authority arrange their care for the same local authority fee also presents a serious financial risk. This threatens the viability of the entire care home sector.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review**a. Results of the year**

As shown in the Statement of Financial Activities on page 15, total income in the year amounted to £12,324,290 (2021: £13,328,280) and our total expenses amounted to £12,671,083 (2021: £12,384,470) resulting in a pre-pension adjustment operating deficit of £346,793 compared to a surplus of £943,810 in 2021. Staff costs during the year amounted to 73% of income, of which 69% is Care and 4% Administration (2021: Care 66%, Administration 3%).

During the year average occupancy levels were 73% (2021: 81 %.)

There was an actuarial gain on the defined benefit pension scheme of £1,850,000 (2021: gain of £252,000). The overall surplus for the year was £1,503,207 (2021: surplus £1,195,810).

Total funds carried forward at 31 March 2022 were £5,212,880 (2021: £3,709,673) of which £4,797,606 (2021: £3,168,282) are unrestricted and £415,274 (2021: £541,391) are restricted.

b. Pension scheme

The charity provides a defined benefit pension scheme available to certain employees. This pension benefit is provided by the charity's contribution to the South Yorkshire Pension Authority Scheme (SYPA). In common with many defined benefit pension schemes, the charity's scheme is in deficit as detailed in note 21. Under the provisions of FRS102, the charity is required to show this deficit within its balance sheet. The reported FRS102 deficit, this year, has decreased from £5.14m to £3.39m during the year. This movement is principally driven by the actuarial gain on the plan assets amounting to £1.85m during the period.

The trustees have received information from the scheme's actuaries regarding the deficit and additional contributions are being made in order to eliminate the deficit over a reasonable period. The Trustees believe this to be in line with common practice for organisations with defined benefit pension schemes and is certainly in line with other members of SYPA. The trustees acknowledge that the deficit is real and will have to be addressed over a reasonable timescale, but do not believe that it significantly impairs the ability of the charity to continue in operation in the short term. The additional contributions have been factored into the company's budgets, business plans and cash flow forecasts. The pension deficit is shown separately within unrestricted funds for charity.

c. Reserves Policy

The charity's reserves policy has been reviewed by the trustees in the year, and it has been agreed that a more risk based approach to reserves is appropriate.

The main area of risk for the organisation continues to be that of a fall in occupation levels. The trustees have set a reserves policy amount 8% below the prevailing break-even position. Budgets have been prepared for the financial year 2022-23 which forecast that the occupancy level at the break-even position is 81%.

Utilising the outputs from the budgets and other risk registers to identify the impact of the financial risks, whilst also factoring in the suggested level of Board approved Designated Funds. The Reserves Target for 2021-22 was as follows:

Maximum annual cash impact of beds fees falling 8% below current break-even levels	£1,140,319
Contingency to cover un-budgeted capital and project expenditure (standard)	£50,000
SYPA Scheme Deficit Repayment (standard)	£46,800
Board Approved Designated Funds (reviewed annually)	£100,000
Free Reserves Target – March 2022	<u>£1,337,119</u>

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

The value of free reserves at 31 March 2022 is £1,431,200 (2021: £1,371,330) and comprises;

Unrestricted general reserves (excl. the pension deficit)	£8,083,506
Fixed assets funded by unrestricted funds	(£9,758,425)
Associated bank loans	<u>£3,106,119</u>
Total free reserves	<u>£1,431,200</u>

The results of the year show a surplus of £94,081 on the free reserves target as set out in the adopted Reserves Policy above. Any excess funds over the Reserves Policy requirement could, at the Board's discretion, be utilised to invest in change related initiatives or capital projects in line with Sheffcare's strategy. The non-standard elements are to be reviewed annually in-line with the budget approval process.

A summary of reserves at 31 March 2022 is:

	£
Designated	100,000
Unrestricted (Including Share Capital)	8,083,606
Pension	(3,386,000)
Restricted	<u>415,274</u>
Total Reserves	<u>5,212,880</u>

Trustees' interests

None of the trustees who held office at the end of the financial year had any interest in the charitable company.

Liability insurance

Insurance for trustees and officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is in place. The cost of maintaining liabilities insurance during the year amounted to £1,799 (2021: £1,439).

Employees and Volunteers

The charitable company has a policy of offering employment / volunteering opportunities to persons with disabilities, where possible, as part of our overall equal opportunities policy.

Strategy and Future Plans - Summary

Sheffcare continues to focus on developing further residential and day care services for people living with dementia as we move away from providing general residential care which is increasingly being delivered in a community setting. This is in line with our strategy which aims to deliver excellence in dementia care.

We continue to review care homes in Sheffield which come on to the market to determine if they are a suitable acquisition for Sheffcare as we move towards creating higher environmental standards such as en-suite facilities and increased indoor and outdoor space.

We continue to invest in the development and expansion of meaningful activities, events and trips for our residents. We are also committed to maintaining and developing links with the local communities that surround our care homes and our day centres.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Fundraising Statement

In the financial year the charity did not actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities in its own right or via a trading subsidiary or third party. The trustees were though pleased to receive unsolicited gifts from relatives and local businesses who generously support our residents comfort fund.

Trustees' responsibilities statement

The trustees (who are also directors of Sheffcare Limited) for the purposes of company law are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and them apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent 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 its subsidiary and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BHP LLP, have indicated their willingness to continue in office, subject to approval by the members at the AGM.

This report incorporating the Strategic Report was approved by the trustees on 24 January 2023 and signed on their behalf by:



Dr David Johnson
Chairman

Opinion

We have audited the financial statements of Sheffcare Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows 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 parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- 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's 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 trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health and safety legislation, CQC regulations and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the group and parent charitable company.

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

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

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

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 1.17; were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body for our audit work, for this report or for the opinions we have formed.



Jane Marshall (Jan 25, 2023 17:33 GMT)

Jane Marshall FCA DChA
For and on behalf of
BHP LLP

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield,
S10 2PD

Date: Jan 25, 2023

SHEFFCARE LIMITED

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

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
	Note				
Income from:					
Donations and legacies	2	-	9,301	9,301	96,574
Charitable activities	3	10,901,733	1,410,761	12,312,494	13,135,713
Investments	4	2,495	-	2,495	3,066
Other income – Coronavirus Job Retention Scheme		-	-	-	92,927
Total income		10,904,228	1,420,062	12,324,290	13,328,280
Expenditure on:					
Raising funds		18,286	-	18,286	19,904
Charitable activities					
Charitable activities - Ongoing		10,648,126	1,546,179	12,194,305	12,364,566
Charitable activities – Disposals		458,492	-	458,492	-
Total expenditure	5	11,124,904	1,546,179	12,671,083	12,384,470
Net (expenditure)/income before other recognised gains and losses					
		(220,676)	(126,117)	(346,793)	943,810
Actuarial gains on defined benefit pension schemes	21	1,850,000	-	1,850,000	252,000
Net movement in funds		1,629,324	(126,117)	1,503,207	1,195,810
Reconciliation of funds:					
Total funds brought forward		3,168,282	541,391	3,709,673	2,513,863
Net movement in funds		1,629,324	(126,117)	1,503,207	1,195,810
Total funds carried forward	16	4,797,606	415,274	5,212,880	3,709,673

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	£	2022 £	£	As restated 2021 £
Fixed assets					
Tangible assets	10		10,058,173		9,302,499
Current assets					
Debtors	12	1,444,854		781,008	
Cash at bank and in hand	19	2,103,952		2,723,696	
		3,548,806		3,504,704	
Creditors: amounts falling due within one year	13	(2,118,262)		(2,060,174)	
Net current assets			1,430,544		1,444,530
Total assets less current liabilities			11,488,717		10,747,029
Creditors: amounts falling due after more than one year	14		(2,889,837)		(1,902,356)
Net assets excluding pension scheme liabilities			8,598,880		8,844,673
Defined benefit pension scheme liability	21		(3,386,000)		(5,135,000)
Net assets			5,212,880		3,709,673
Charity funds					
Restricted funds	16		415,274		541,391
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	8,183,506		8,303,182	
Unrestricted funds excluding pension liability		8,183,606		8,303,282	
Pension reserve	16	(3,386,000)		(5,135,000)	
Total unrestricted funds			4,797,606		3,168,282
Total funds			5,212,880		3,709,673

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr David Johnson, Chairman

Date: Jan 24, 2023

The notes on pages 21 to 42 form part of these financial statements.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	£	2022 £	£	As restated 2021 £
Fixed assets					
Tangible assets	10		10,058,173		9,302,499
Investment in subsidiary	11		1		-
			10,058,174		9,302,499
Current assets					
Debtors	12	1,516,489		781,008	
Cash at bank and in hand	19	2,032,324		2,723,696	
		3,548,813		3,504,704	
Creditors: amounts falling due within one year	13	(2,118,262)		(2,060,174)	
Net current assets			1,430,551		1,444,530
Total assets less current liabilities			11,488,725		10,747,029
Creditors: amounts falling due after more than one year	14		(2,889,837)		(1,902,356)
Net assets excluding pension scheme liabilities			8,598,888		8,844,673
Defined benefit pension scheme liability	21		(3,386,000)		(5,135,000)
Net assets including pension scheme liabilities			5,212,888		3,709,673
Charity funds					
Restricted funds	16		415,274		541,391
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	8,183,514		8,303,182	
Unrestricted funds excluding pension liability		8,183,614		8,303,282	
Pension reserve	16	(3,386,000)		(5,135,000)	
Total unrestricted funds			4,797,614		3,168,282
Total funds			5,212,888		3,709,673

SHEFFCARE LIMITED

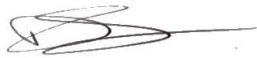
REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The surplus for the year is £1,503,215.

The financial statements were approved and authorised for issue by the Trustees on 24 January 2023 and signed on their behalf, by:



Dr David Johnson, Chairman

The notes on pages 21 to 42 form part of these financial statements.

SHEFFCARE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	As restated 2021 £
Cash flows from operating activities			
Net cash provided by operating activities	18	366,457	2,316,268
Cash flows from investing activities:			
Interest received		2,495	3,066
Purchase of tangible fixed assets		(2,045,180)	(615,991)
Net cash used in investing activities		(2,042,685)	(612,925)
Additional borrowings		1,250,000	-
Repayments of borrowings		(193,516)	(147,279)
Net cash provided by financing activities		1,056,484	(147,279)
Change in cash and cash equivalents in the year		(619,744)	1,556,064
Cash and cash equivalents brought forward		2,723,696	1,167,632
Cash and cash equivalents carried forward	19	2,103,952	2,723,696

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

1. Accounting Policies (continued)**1. Accounting Policies****1.1 Company Status**

The charitable company is a company limited by guarantee with share capital. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.2 Basis of preparation of financial statements

Sheffcare Limited is a charitable company in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are on page 3 of these financial statements.

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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006.

Sheffcare Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies act 2006 and has not presented its own statement of financial activities in these financial statements. The surplus for the Charity is £1,503,215.

1.3 1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

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

1. Accounting Policies (continued)

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

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

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for a specific purpose but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

CJRS income is recognised in the period to which the claim relates.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1. Accounting Policies (continued)

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.6 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred by the company in relation to providing residential care, respite care and specialist care services including support costs and costs relating to the governance of the company apportioned to charitable activities.

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

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at purchase cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Leasehold property	-	25/50 years or the term of the lease if shorter
Leasehold renovations	-	5-10 years
Fixtures and fittings	-	4 years
Motor vehicles	-	4 years

1.8 Interest receivable

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

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

1. Accounting Policies (continued)

1.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Pension costs

The charity contributes to a pension scheme operated by The South Yorkshire Pension Authority providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and actuarial gains and losses. Further details regarding the scheme are disclosed in note 21.

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the SOFA in the year they are payable.

1.14 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

1. Accounting Policies (continued)

1.15 Taxation

The 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 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.

1.16 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.17 Critical accounting estimates and areas of judgment

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

Critical accounts estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The following estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are set out below.

South Yorkshire Pension Fund Liability:

The present value of the liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions will impact the carrying value of the liability.

Property valuations:

The carrying value of property and annual impairment reviews are subject to assessment involving estimates on future occupancy and state of repair of the properties.

Support costs:

Some costs incurred by the charity such as IT, insurance, and postage are shared between activities. The charity's policy is to allocate these costs on the basis of assessed consumption. This includes allocation between funds which are material by nature.

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

2. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	9,301	9,301	96,574
<i>Total 2021</i>	29	96,545	96,574	

3. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Residential bed fees	10,531,305	-	10,531,305	11,093,145
Private day care	262,562	-	262,562	286,180
Grant income	-	1,405,823	1,405,823	1,101,366
Other income	107,866	4,938	112,804	655,022
	10,901,733	1,410,761	12,312,494	13,135,713
<i>Total 2021</i>	12,028,223	1,107,490	13,135,713	

4. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest received	2,495	-	2,495	3,066
<i>Total 2021</i>	3,066	-	3,066	

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

5. Analysis of expenditure by expenditure type

	Staff costs 2022 £	Depreciation & Disposals 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Costs of raising funds					
Advertising and publicity	-	-	18,286	18,286	19,904
	-	-	18,286	18,286	19,904
Charitable activities					
Operation of care homes	8,936,631	1,289,506	2,299,213	12,525,350	12,274,890
Expenditure on governance costs (note 6)	39,765	-	87,682	127,447	89,676
	8,976,396	1,289,506	2,405,181	12,671,083	12,384,470
<i>Total 2021</i>	8,747,131	787,790	2,849,549	12,384,470	

The depreciation and disposal heading above includes £830,205 of depreciation, £458,492 loss on disposal of assets in relation to the closure of two homes and £809 from the disposal of general assets.

Other costs

	2022 £	2021 £
Direct costs		
Premises	818,613	1,182,172
Provisions	538,842	605,406
Other resident costs	204,057	214,390
Other staff costs	88,390	62,893
Sub-total	1,649,902	2,064,861
Support costs		
Miscellaneous	50,549	47,505
Auditor's remuneration	17,406	12,690
Legal & professional	70,276	36,011
Office costs	424,082	496,644
Interest	66,681	47,934
Net pension financing cost (note 9)	108,000	124,000
Advertising and publicity	18,286	19,904
Sub-total	755,280	784,688
Total	2,405,182	2,849,549

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

6. Governance costs

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Auditor's remuneration	17,406	-	17,406	12,690
Legal & professional	70,276	-	70,276	36,011
Wages and salaries	39,765	-	39,765	40,975
	127,447	-	127,447	89,676

7. Net income/ (expenditure)

This is stated after charging:

	2022	2021
Depreciation of tangible fixed assets:		
- depreciation	830,205	787,790
- loss on disposals	459,301	-
Auditor's remuneration – audit	17,406	12,690

During the year, no Trustees received any remuneration (2021: £NIL).

During the year, no Trustees received any benefits in kind (2021: £NIL).

1 Trustee received reimbursement of expenses amounting to £16 in the current year, (2021: 1 Trustee - £55) in relation to travel expenses.

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

8. Staff costs

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	7,511,186	7,894,978
Social security costs	495,351	492,473
Other pension costs	233,679	256,942
	8,240,216	8,644,393
Agency costs	736,180	102,738
Total	8,976,396	8,747,131

The average number of persons (full time and part-time) employed by the company during the year was as follows:

	2022 No.	2021 No.
Care Services	435	476
Management and administration of the charity	29	29
	464	505

The number of higher paid employees was:

	2022 No.	2021 No.
In the band £90,001 - £100,000	0	1
In the band £80,001 - £90,000	0	0
In the band £70,001 - £80,000	1	0
In the band £60,001 - £70,000	1	2

The key management personnel of the parent charity, comprise the trustees, the Chief Executive Officer, Director of Finance, Care and Operations Director/Deputy Chief Executive Officer and Director of HR. During the year the key management personnel costs including employer's pension and NI were £315,222 (2021: £300,049).

At the year end, pension contributions outstanding amounted to £4,644 (2021: £5,513).

9. Other finance expense

	2022 £	2021 £
Interest income on pension scheme assets	415,000	411,000
Interest on pension scheme liabilities	(523,000)	(535,000)
	(108,000)	(124,000)

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

10. Tangible fixed assets

Group & Charity

	Freehold property £	Leasehold property £	Leasehold renovations £	Motor vehicles £	Fixtures and fittings £
Cost					
At 1 April 2021	1,700,000	6,569,848	3,688,875	51,360	1,825,644
Additions	825,000	-	1,085,533	-	134,647
Disposals	-	(503,417)	(417,799)	-	(154,699)
At 31 March 2022	2,525,000	6,066,431	4,356,609	51,360	1,805,592
Depreciation					
At 1 April 2021	96,334	2,171,646	1,266,371	23,540	975,337
Charge for the year	35,375	138,783	285,753	12,840	357,454
Disposals	-	(251,876)	(221,395)	-	(143,343)
At 31 March 2022	131,709	2,058,553	1,330,729	36,380	1,189,448
Net book value					
At 31 March 2022	2,393,291	4,007,878	3,025,880	14,980	616,144
At 31 March 2021	1,603,666	4,398,202	2,422,504	27,820	850,307
					Total £
Cost At 1 April 2021					13,835,727
Additions					2,045,180
Disposals					(1,075,915)
At 31 March 2022					14,804,992
Depreciation					
At 1 April 2021					4,533,228
Charge for the year					830,205
Disposals					(616,614)
At 31 March 2022					4,746,819
Net book value					
At 31 March 2022					10,058,173
At 31 March 2021					9,302,499

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

11. Fixed asset investments

	Investments in subsidiary companies £	Total £
Charity		
Cost or valuation		
At 1 April 2021	-	-
Additions	1	1
Disposals	-	-
Revaluations	-	-
At 31 March 2022	1	1
Net book value		
At 31 March 2022	1	1
At 31 March 2021	-	-

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Principal activity	Class of shares	Holding
Sheffcare Services Limited	13240691	Negotiation and management of publicly funded contracts	Ordinary	£1

The financial results of the subsidiary for the year were:

	Income £	Expenditure £	Profit / loss for the year £	Net assets £
Sheffcare Services Limited	-	8	(8)	(7)

The charity holds 1 share of £1 in its wholly owned trading subsidiary company Sheffcare Services Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid.

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

12. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	667,435	581,079	667,435	581,079
Prepayments and accrued income	622,641	198,889	622,641	198,889
Other debtors	154,778	1,040	226,413	1,040
	1,444,854	781,008	1,516,489	781,008

13. Creditors: Amounts falling due within one year

	Group 2022 £	As restated Group 2021 £	Charity 2022 £	As restated Charity 2021 £
Bank loans and overdrafts (note 14)	216,282	147,279	216,282	147,279
Trade creditors	185,134	267,389	185,134	267,389
Other creditors	665,879	608,388	665,879	608,388
Accruals and deferred income	1,050,967	1,037,118	1,050,967	1,037,118
	2,118,262	2,060,174	2,118,262	2,060,174

Included within deferred income are bed fees received in advance as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income				
Deferred income at 1 April 2021	435,411	463,700	435,411	463,700
Resources deferred during the year	454,926	435,411	454,926	435,411
Amounts released from previous years	(435,411)	(463,700)	(435,411)	(463,700)
Deferred income at 31 March 2022	454,926	435,411	454,926	435,411

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

14. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	2,889,837	1,902,356	2,889,837	1,902,356

Included within the above are amounts falling due as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<i>Less than one year</i>				
Bank loans	216,282	147,279	216,282	147,279
<i>Between one and two years</i>				
Bank loans	218,023	147,279	218,023	147,279
<i>Between two and five years</i>				
Bank loans	2,671,814	1,755,077	2,671,814	1,755,077
Total	3,106,119	2,049,635	3,106,119	2,049,635

The bank loans are secured by way of debenture over the assets held by the company. A legal charge is also held on the freehold and leasehold land and buildings.

15. Share capital

Group & Charity

	2022 £	2021 £
<i>Authorised, allotted, called up and fully paid</i>		
100- Ordinary shares of £1 each	100	100

SHEFFCARE LIMITED

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

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
General funds						
General unrestricted funds	8,203,182	10,904,228	(11,023,896)	-	-	8,083,514
General – trading subsidiary	-	-	(8)	-	-	(8)
Share capital	100	-	-	-	-	100
Pension reserve	(5,135,000)	-	(101,000)	-	1,850,000	(3,386,000)
	3,068,282	10,904,228	(11,124,904)	-	1,850,000	4,697,606
Total Unrestricted funds	3,168,282	10,904,228	(11,124,904)	-	1,850,000	4,797,606
Restricted funds						
Comfort funds	120,378	14,240	(19,092)	-	-	115,526
Grant Income - Infection Prevention Control	421,013	315,473	(436,738)	-	-	299,748
Grant Income - Lateral Flow Device	-	255,095	(255,095)	-	-	-
Grant Income - Workforce Capacity	-	104,480	(104,480)	-	-	-
Grant Income – Workforce Recruitment and Retention	-	513,437	(513,437)	-	-	-
Grant Income – Vaccine Grant	-	9,024	(9,024)	-	-	-
Grant Income – NLW Grant	-	167,528	(167,528)	-	-	-
Grant Income – Sheffield Town Trust	-	2,000	(2,000)	-	-	-
Grant Income – SCC Local Area Committees	-	250	(250)	-	-	-
Grant Income – Kickstart Scheme	-	38,535	(38,535)	-	-	-
	541,391	1,420,062	(1,546,179)	-	-	415,274
Total of funds	3,709,673	12,324,290	(12,671,083)	-	1,850,000	5,212,880

SHEFFCARE LIMITED

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

16. Statement of funds (continued)**Statement of funds – Previous Year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
General funds						
General unrestricted funds	7,655,287	12,124,245	(11,576,350)	-	-	8,203,182
Share capital	100	-	-	-	-	100
Pension reserve	(5,276,000)	-	(111,000)	-	252,000	(5,135,000)
	2,379,387	12,124,245	(11,687,350)	-	252,000	3,068,282
Total Unrestricted funds	2,479,387	12,124,245	(11,687,350)	-	252,000	3,168,282
Restricted funds						
Comfort funds	34,476	102,670	(16,768)	-	-	120,378
Grant Income - Infection Prevention Control	-	837,755	(416,742)	-	-	421,013
Grant Income - Lateral Flow Device	-	123,250	(123,250)	-	-	-
Grant Income - Workforce Capacity	-	140,360	(140,360)	-	-	-
	34,476	1,204,035	(697,120)	-	-	541,391
Total of funds	2,513,863	13,328,280	(12,384,470)	-	252,000	3,709,673

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

16. Statement of funds (continued)

Designated funds

The Trustees have designated funds of £100,000 to cover any potential overspends on capital and project budgets during the course of the year.

Restricted funds

Comfort funds – this is fundraising undertaken at a home level with the purpose being that the funds are spent on items for the benefit of the residents.

Grant income was received from Sheffield City Council specifically to help with the support of infection prevention control, lateral flow testing, workforce capacity, workforce recruitment and retention and vaccines due to the impact of Covid-19.

Grant income was received from Sheffield City Council via the NLW grant was to enable Sheffcare to bring forward the implementation of the national living wage from April 2022 to December 2021 for all employees.

Grant income received from the Sheffield Town's Trust was to purchase hand held devices for our person centred software which had been damaged in the year.

Grant income received from SCC Local Area Communities was to replace a memorial bench that had been stolen in the year.

Grant income received as part of the Kickstart Scheme, was to create new jobs for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment.

SHEFFCARE LIMITED

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

16. Statement of funds (continued)**Summary of funds - current year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	100,000	-	-	-	-	100,000
General funds	3,068,282	10,904,228	(11,124,904)	-	1,850,000	4,697,606
	3,168,282	10,904,228	(11,124,904)	-	1,850,000	4,797,606
Restricted funds	541,391	1,420,062	(1,546,179)	-	-	415,274
	3,709,673	12,324,290	(12,671,083)	-	1,850,000	5,212,880

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	100,000	-	-	-	-	100,000
General funds	2,379,387	12,124,245	(11,687,350)	-	252,000	3,068,282
	2,479,387	12,124,245	(11,687,350)	-	252,000	3,168,282
Restricted funds	34,476	1,204,035	(697,120)	-	-	541,391
	2,513,863	13,328,280	(12,384,470)	-	252,000	3,709,673

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,758,425	299,748	10,058,173
Current assets	3,433,280	115,526	3,548,806
Creditors due within one year	(2,118,262)	-	(2,118,262)
Creditors due in more than one year	(2,889,837)	-	(2,889,837)
Provisions for liabilities and charges	(3,386,000)	-	(3,386,000)
	4,797,606	415,274	5,212,880

Analysis of net assets between funds - prior year

	As restated Unrestricted funds 2021 £	Restricted funds 2021 £	As restated Total funds 2021 £
Tangible fixed assets	8,881,487	421,012	9,302,499
Current assets	3,384,325	120,379	3,504,704
Creditors due within one year	(2,060,174)	-	(2,060,174)
Creditors due in more than one year	(1,902,356)	-	(1,902,356)
Provisions for liabilities and charges	(5,135,000)	-	(5,135,000)
	3,168,282	541,391	3,709,673

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	As restated 2021 £
Net (expenditure)/ income for the year (as per Statement of Financial Activities)	(346,793)	943,810
Adjustment for:		
Depreciation charges	830,205	787,790
Pension scheme adjustment	101,000	111,000
Interest from investments	(2,495)	(3,066)
Loss on the sale of fixed assets	459,301	21,028
(Increase)/decrease in debtors	(663,846)	115,577
Increase/(decrease) in creditors	(10,915)	340,129
	366,457	2,316,268

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

19. Analysis of cash and cash equivalents

	Group 2022 £	As restated Group 2021 £	Charity 2022 £	As restated Charity 2021 £
Cash in hand	2,103,952	2,723,696	2,032,324	2,723,696
Total	2,103,952	2,723,696	2,032,324	2,723,696

20. Analysis of changes in net debt

	As restated At April 2021 £	Cash Flows £	At 31 March 2022 £
Cash in hand	2,723,696	(619,744)	2,103,952
Bank loan (due in 1 year)	(147,279)	(69,003)	(216,282)
Bank loan (due in over 1 year)	(1,902,356)	(987,481)	(2,889,837)
Total	674,061	(1,676,228)	(1,002,167)

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

21. Pension commitments

The company operates a defined contribution pension scheme with NEST. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £149,541 (2021: £157,980).

The company also operates a defined benefit funded statutory pension scheme administered by the South Yorkshire Pensions Authority in accordance with the Local Government Pension Scheme Regulations 1995. A tri-annual actuarial valuation of this fund was last carried out in accordance with the Regulations as at 31 March 2019.

The principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages) were:

	2022	2021
Discount rate at 31 March	2.70%	2.10%
Future salary increases	4.30%	3.95%
Future pension increases	3.30%	2.80%

FRS102 requires the present value of pension liabilities to be calculated by discounting pension commitments, including salary growth, at an AA corporate bond yield. The FRS102 value of liabilities at March 2022 was £24,750,000 (2021: £25,209,000) and the market value of assets was £21,364,000 (2021: £20,074,000) giving a scheme deficit of £3,386,000 (2021: £5,135,000).

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March	Fair value at 31 March
	2022	2021
	£	£
Equities	14,100,240	9,856,000
Government Bonds	5,127,360	8,110,000
Property	1,922,760	1,827,000
Cash	213,640	281,000
Total market value of assets	21,364,000	20,074,000

The actual return on scheme assets was a gain of £1,908,000 (2021 Gain: £3,306,000).

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

21. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2022	2021
	£	£
Current service cost	(83,000)	(87,000)
Interest on obligation	(523,000)	(535,000)
Expected return on scheme assets	415,000	411,000
Administration expenses	-	(1,000)
	<hr/>	<hr/>
Total	(191,000)	(212,000)

Movements in the present value of the defined benefit obligation were as follows:

	2022	2021
	£	£
Opening defined benefit obligation	25,209,000	22,734,000
Current service cost	83,000	87,000
Interest cost	523,000	535,000
Contributions by scheme participants	15,000	18,000
Actuarial (gains)/losses	(379,000)	2,642,000
Benefits paid	(701,000)	(807,000)
	<hr/>	<hr/>
Closing defined benefit obligation	24,750,000	25,209,000

Changes in the fair value of scheme assets were as follows:

	2022	2021
	£	£
Opening fair value of scheme assets	20,074,000	17,458,000
Expected return on assets	415,000	411,000
Actuarial gains and (losses)	1,471,000	2,894,000
Contributions by employer	90,000	101,000
Contributions by scheme participants	15,000	18,000
Administration expenses	-	(1,000)
Benefits paid	(701,000)	(807,000)
	<hr/>	<hr/>
	21,364,000	20,074,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was a gain of £1,850,000 (2021: Gain £252,000).

The company expects to contribute £46,800 to its defined benefit pension scheme in 2022-23.

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

21. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2022 £	2021 £
Defined benefit obligation	(24,750,000)	(25,209,000)
Scheme assets	21,364,000	20,074,000
Deficit	(3,386,000)	(5,135,000)
Experience adjustments on scheme liabilities – Gain/(Loss)	379,000	(2,642,000)
Experience adjustments on scheme assets – (Loss)/gain	1,471,000	2,894,000

22. Operating lease commitments

At 31 March 2022 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts payable:		
Within 1 year	69,192	69,192
Between 2 to 5 years	90,446	162,243
Total	159,638	231,435

Lease payments of £68,504 have been recognised as an expense in the statement of financial activities.

23. Related party transactions

The charitable company owns 100% of its subsidiary Sheffcare Services Limited. Recoverable VAT from the subsidiary amounting to £71,635 has been recharged to the parent company during the year and this amount remained outstanding at the year end (2021: £Nil).

24. Prior year adjustment

There was a prior year adjustment to recognise client funds held by Sheffcare Limited. The impact of the adjustment is an increase in the cash held at bank and an increase in creditors as at 31 March 2021 of £448,575. There is no overall impact on the net assets as at 31 March 2021 or the surplus in the year to 31 March 2021 as a result of the prior year adjustment.

SHEFFCARE LIMITED

England & Wales - Charity number 1054227

Accounts

Registered number: 02538734
Charity number: 1054227

SHEFFCARE LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

SHEFFCARE LIMITED

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SHEFFCARE LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees

David Johnson, Chair
Anna Gailey, Director
Brian Martin James, Director
Carole Janet Rainbird, Director
Scott Sanderson, Partner- Healthcare Sector
Sarah Kate Smith, Director
Valarie Michele Wightman (appointed 30 January 2020)

Company registered number

2538734

Charity registered number

1054227

Registered office

Springwood House, 192 Penrith Road, Sheffield, S5 8UG

Chief executive officer

Claire Rintoul

Senior management team

Claire Rintoul, Chief Executive Officer
Sarah Stapleton, Head of Finance
Tracey Payne, Care and Operations Director/Deputy Chief Executive Officer
Merewyn Scafe, Head of HR & Training

Independent auditor

BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

Bankers

Barclays Bank, 1, St. Paul's Place, 121 Norfolk Street, Sheffield, S1 2JW

Solicitors

Hemingways Solicitors Limited, 11 Westbourne Road, Sheffield, S10 2QQ

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

A very warm welcome to this year's annual review. I dedicated last year's annual review to all the people who are part of our Sheffcare family and who had endured what I described as an "extraordinary year". I wanted to recognise the enormous sacrifice that had been made through the first wave of the pandemic. The amazing commitment of our staff team, the resilience of our residents and the patience and understanding of their families were, without doubt, an inspiration for those of us who were perhaps not on the front line. At the time we believed we were beginning to emerge from the pandemic, little did we know that we would have to endure a second, and third wave. Yet we have endured and as the initial crisis morphed into our 'new normal' we have continued to adjust and we have continued to adapt. Writing an annual review offers an opportunity to pause, reflect and remember how we coped. As with last year our staff members have responded with tenacity, resilience, compassion, and great care and as a Board we once again affirm our heartfelt gratitude for their service and their work.

As with all organisations we have experienced changes within our leadership team this year, Belinda Black joined Sheffcare as our CEO 11 years ago, it is fair to say our organisation was in a very different place at that time, it is through her humble, transforming leadership that we are now the successful organisation that we have become. Belinda has moved on to a strategic role at the CQC and we are sincerely grateful to her for her leadership and her commitment to Sheffcare. After an exciting and competitive recruitment exercise we are delighted that Claire Rintoul agreed to join us as our new CEO, Claire has vast experience, and her collaborative leadership style and approach is a great fit for Sheffcare. Welcome Claire. Peter Bradbury, our Head of Finance left in April. Peter had been with us for about 3 years, his calm reassuring manner, alongside great expertise, was hugely valued by the Board, we sincerely thank him and wish him well for whatever challenges Peter will undertake next. Sarah Stapleton has been part of our Sheffcare finance team for a number of years now, she knows our business inside and out and I was delighted that she graciously accepted our offer to take over Peter's role. The pandemic has greatly affected the social care market, our occupancy levels are and have remained historically low. We are extremely grateful to the ongoing support of Sheffield City Council. We do anticipate that the market will return to normal levels during mid-2022. We have adjusted our costs and remain in a healthy financial position; we look forward to the market readjusting as restriction on care homes, as a consequence of the pandemic, are eased.

One of our strategic ambitions has been to review our estate, Sheffcare emerged in the 1990's from Local Authority provision, and as times change, so some aspects of our estate have become a little dated. We have sought ways to improve what we have but also to remain firmly rooted within the local communities that we serve in Sheffield. When opportunities have been presented to us we have considered new provision. In 2017 we successfully opened Knowle Hill 2, this was a great improvement in the physical environment of our Knowle Hill care home. We extended our Midhurst Care Home in 2019. We now have taken the opportunity to purchase and renovate a recently closed care home that will offer an enhanced environment for residents that currently live in our Castelayn and Paddock Hill homes. This has been part financed through a loan and will enable us to vastly improve our estate and the physical environments for resident and their families. Our residents will choose the new name for our home. This purchase will improve our provision in a safe, financially manageable way and meet our strategic aim. We are conscious that moving can be stressful for our residents and our experienced team will work very carefully to ensure that moves are as easy and seamless as they can be.

We continue to live in challenging but exciting times, we have endured and although times have been incredibly tough this year, we have survived and thrived. We thank Belinda and Peter for their work and look forward to our future with Claire and Sarah.

Dr David Johnson
Chair
Date 30 September 2021



TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

Objectives and Activities**a. Policies and objectives**

Sheffcare provides a range of services across Sheffield: residential social care, day care services, and specialist dementia services. This is delivered across ten sites. Sheffcare is in a strong market position being the largest social care provider in the area. Sheffcare has a strong and proud heritage, for over twenty years Sheffcare has delivered excellent care to the people who use our services. This is reflected by external monitoring reports from commissioners and regulators, along with positive comments from our annual surveys

b. Our Purpose

To be the best provider of person-centred care to the people of Sheffield and the surrounding area.

c. Our Guiding Principle

Putting people who use our services at the heart of everything we do.

d. Our Values

Care will be delivered with compassion, dignity and respect putting the resident at the very heart of care delivery.

We ensure our care is safe, effective, individualised and is continually monitored and improved to meet new standards.

We actively value the contribution of all our staff through recognition, training and development.

e. Public Benefit

In setting the objectives for the year and planning the required activities the Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. In particular the trustees ensure that planned activities contribute to the charity's aims and objectives and in doing so Sheffcare continue to provide excellent care related services to the people of Sheffield and its surrounding area.

The trustees of Sheffcare firmly believe that the care services provided have been most beneficial to its residents and day centre attendees and that this has been proven by the positive feedback provided by residents, residents families, staff, stakeholders and regulators. By providing an excellent, professional, service Sheffcare has had a huge positive impact on local care services and the people that use them thus enhancing the quality of life within the local area.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management**a. Constitution**

The Company is registered as a charitable company limited by guarantee with a share capital. Its governing document is the Memorandum and Articles of Association.

b. Method of appointment and policy adopted for induction and training of trustees

Trustee vacancies are recruited depending on the particular skills and expertise which is required at the time to ensure that the widest possible range of expertise relevant to the charitable company's objects is maintained. New trustees are interviewed by members of the Board and appointed where they have the necessary skills to contribute to the effective governance of the Charity. On being appointed trustees receive a copy of the governing document, the most recent statutory accounts, an induction pack, and are introduced to the workings of the charity.

c. Organisational structure and decision making

Sheffcare Limited is governed by a Board of trustees from whom day to day control is vested in a Chief Executive. Board meetings are held six times each year and are supported by a Finance subcommittee, which is attended by a number of trustees, depending on their particular expertise. The overall management of Sheffcare is provided by the Chief Executive, together with a small executive management team. Day to day responsibility for each home is delegated to a Registered Manager.

d. Pay policy for senior staff

The senior executive team is a small team of four. Pay for the Executive Team has been set by the trustees and is reviewed by the whole board on an annual basis. The pay scales are in line with those paid for similar roles within the wider care sector. It is essential that salaries are set at a level which both attract, retain and motivate staff. This is a consideration for the trustees when agreeing salary scales and salary increases.

e. Gender Pay Gap

The GPG is based on the gross pay, per hour, for each employee during April (staff), and May (care), 2020. The hourly rate calculations are based on 59 male, and 427 female employees. The bonus calculations are based on 3 male, and 14 female employees.

Hourly rate

Difference in mean hourly rate of pay	-4 %
---------------------------------------	------

Difference in median hourly rate of pay	1 %
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Bonus pay

	Male	Female
Percentage of employees who received bonus pay	5.08 %	3.28 %
Difference in mean bonus pay		3 %

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Bonus pay

	Male	Female
Difference in median bonus pay		25 %

Employees by pay quartile

	Male	Female
Upper quartile	11.6 %	88.4 %
Upper middle quartile	13.9 %	86.1 %
Lower middle quartile	14.9 %	85.1 %
Lower quartile	8.2 %	91.8 %

Strategic Report**Achievements and performance****a. Operating environment**

Sheffcare is proud to be a not-for-profit organisation. We continue, like all social care providers, to be in a very challenging economic climate with rising costs. This is compounded by our continuing reliance upon Sheffield Local Authority for the majority of our residents and service users' fees, which for the year was 73% of all residents which is 2% higher than the previous year. Local authorities generally pay a lower rate than self-funders which reduces income revenue. Sheffield City Council still continue to promote care at home as the preferred option, the impact on Sheffcare being a shorter length in stay and a more dependent resident upon admission.

The impact of COVID 19 at the latter end of the financial year caused a decline in occupancy due to the residents being infected with the virus then passing away. This will have a significant impact on our charity in the coming financial year both in terms of supporting staff and families alongside maintaining the financial sustainability of the charity. We are hugely grateful for the incredible commitment and dedication shown by our staff team during this incredibly difficult time.

Sheffield City Council have continued to pay for care at historical occupancy rates which gradually tapered off during the year. In addition, additional infection control costs and some exceptional expenses have temporarily been covered by Sheffield City Council but this funding is planned to end. Occupancy levels are increasing albeit slowly and referrals/enquiries are increasing.

b. Volunteer and Staff Survey

At Sheffcare we recognise that our staff and volunteers are our greatest asset. Our staff surveys consistently demonstrate high levels of satisfaction across all areas. Consequently, we have some of the best retention rates in adult social care. Through the past year even when it was not possible for groups of people to come together physically, we have continued to invest in and develop our staff through e-learning and remote training. We furloughed staff who were required to self-isolate in line with Government guidance and staff who were required to self-isolate were paid their full pay.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Covid has had a huge impact on our volunteers being able to work with us, but we are very grateful to those who have been able to carry out their roles, including dedicated befrienders who have supported window and pod visits.

c. Care Quality Commission (CQC)

The CQC regulate our services and either visit or assess remotely to ensure that we are adhering to the national minimum standards. All our services have been inspected. Nine services out of the ten have been rated as `Good`. One home was rated as "Requires Improvement" in 2019 and an action plan was completed to address the particular area of concern. Unfortunately, we have not yet had a further inspection to give us the opportunity to have the rating updated. We continue with our strategy to move services from `Good` to `Outstanding` and have action plans in place to ensure that the home which requires improvement is rated `Good` on future inspections.

d. Technology

Technology will support our plans at Sheffcare as we progress with our partner Person Centred Care implementing electronic care plans across the charity. This is a key area of investment for Sheffcare as utilising technology can assist us in enhancing our care provision. Other areas of technology will be reviewed by the Board to evaluate their suitability for Sheffcare.

Risk management

The trustees have undertaken an exercise during the year to identify and review the major risks to which the charity is exposed and are satisfied that appropriate systems are in place to mitigate exposure to those risks. The main risks are detailed below together with the steps taken to manage and mitigate those risks.

a. Safety and Compliance Risk

Fire risk and simulated evacuations are being managed and mitigated for with a series of actions agreed with the Fire Department and monitored by The Health and Safety Officer John Dawson.

Adverse weather planning is included in the Emergency and Business Continuity Plans to manage and mitigate for this risk as far as possible. Actions include the Property Services Manager (PSM) reviewing Snow and Ice Plan; ensuring sufficient stock of gritting materials is pre-positioned before onset of cold weather. Registered managers monitor the weather forecasts and are proactive with gritting procedures. Individual care homes identify vital walkways and areas at most risk and staff to pre-treat these areas as priority.

b. Business Risk**Major Asset Failure or Major Incident**

Many of the care homes have old mechanical, electrical and engineering equipment that could be liable to failure. We mitigate, by mandatory inspection/service schedules, as part of a planned maintenance regime and have in place a contingency plan for replacements. All homes could experience a major incident such as flooding or fire. Any such incident would require implementation of the Business Emergency Plan. Managers and Central Support Staff have a firm understanding on what measures are required in reaction to an incident.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

COVID 19

The declining occupancy at Sheffcare due to COVID 19 deaths which has been reflected at care homes throughout the country and represents a significant business risk if occupancy doesn't improve.

Sheffcare has made use of the additional national funding for rapid testing and infection prevention and control in order to maintain high standards of safety and care.

SYPA Scheme Deficit

A significant deficit in the South Yorkshire Pension Authority fund could have a major financial impact on the business when the last employee, who is part of that scheme, leaves Sheffcare. We currently have 9 remaining staff in the scheme. Sheffcare remain in contact with Sheffield City Council (who is the guarantor of the Sheffcare scheme) and the South Yorkshire Pension Scheme to discuss options regarding future repayments.

Funding Risks

There is a heavy reliance on local authority funding for many residents and we recognise that the level of funding received could be at risk in times of austerity or economic decline.

Financial review**a. Results of the year**

As shown in the Statement of Financial Activities on page 14, total income in the year amounted to £13,328,280 (2020: £12,161,189) and our total expenses amounted to £12,384,470 (2020: £12,474,566) resulting in a pre-pension adjustment operating surplus of £943,810 compared to a deficit of £313,377 in 2020. Staff costs during the year amounted to 66% of income, of which 63% is Care and 3% Administration (2020: Care 66%, Administration 7%).

During the year average occupancy levels were 81% (2020: 92 %.)

There was an actuarial gain on the defined benefit pension scheme of £252,000 (2020: gain of £639,000). The overall surplus for the year was £1,195,810 (2020: surplus £325,623).

Total funds carried forward at 31 March 2021 were £3,709,673 (2020: £2,513,863) of which £3,168,282 (2020: £2,479,387) are unrestricted and £541,391 (2020: £34,476) are restricted.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

b. Pension scheme

The charity provides a defined benefit pension scheme available to certain employees. This pension benefit is provided by the charity's contribution to The South Yorkshire Pension Authority Scheme (SYPA). In common with many defined benefit pension schemes, the charity's scheme is in deficit as detailed in note 20. Under the provisions of FRS102, the charity is required to show this deficit within its balance sheet. The reported FRS102 deficit, this year, has decreased from £5.28m to £5.14m during the year. This movement is principally driven by the actuarial gain on the plan assets amounting to £252K during the period.

The trustees have received information from the scheme's actuaries regarding the deficit and additional contributions are being made in order to eliminate the deficit over a reasonable period. The Trustees believe this to be in line with common practice for organisations with defined benefit pension schemes and is certainly in line with other members of SYPA. The Trustees acknowledge that the deficit is real and will have to be addressed over a reasonable timescale, but do not believe that it significantly impairs the ability of the charity to continue in operation in the short term. The additional contributions have been factored into the company's budgets, business plans and cash flow forecasts. The pension deficit is shown separately within unrestricted funds for charity.

c. Reserves Policy

The charity's reserves policy has been reviewed by the trustees in the year, and it has been agreed that a more risk based approach to reserves is appropriate.

The main area of risk for the organisation continues to be that of a fall in occupation levels. The trustees have set a reserves policy amount 5% below the prevailing break-even position. Budgets have been prepared for the financial year 2021-22 which forecast that the occupancy level at the break-even position is 75.4%.

Utilising the outputs from the budgets and other risk registers to identify the impact of the financial risks, whilst also factoring in the suggested level of Board approved Designated Funds, the Reserves Target for 2020-21 was as follows:

Maximum annual cash impact of beds fees falling 5% below current break-even levels	£731,000
Contingency to cover un-budgeted capital and project expenditure (standard)	£150,000
SYPA Scheme Deficit Repayment (standard)	£45,000
Board Approved Designated Funds (reviewed annually)	£100,000
Free Reserves Target – March 2021	<u>£1,026,000</u>

The value of free reserves at 31 March 2021 is £1,371,330 (2020: £356,875) and comprises;

Unrestricted general reserves (excl. the pension deficit)	£8,203,182
Fixed assets funded by unrestricted funds	(£8,881,487)
Associated bank loans	<u>£2,049,635</u>
Total free reserves	<u>£1,371,330</u>

The results of the year show a surplus of £345,330 on the free reserves target as set out in the adopted Reserves Policy above. Any excess funds over the Reserves Policy requirement could, at the Board's discretion, be utilised to invest in change related initiatives or capital projects in line with Sheffcare's strategy. The non-standard elements are to be reviewed annually in-line with the budget approval process.

SHEFFCARE LIMITED

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

A summary of reserves at 31 March 2021 is:

	£
Designated	100,000
Unrestricted	8,203,282
Pension	(5,135,000)
Restricted	<u>541,391</u>
Total Reserves	<u>3,709,673</u>

Trustees' interests

None of the trustees who held office at the end of the financial year had any interest in the charitable company.

Liability insurance

Insurance for trustees and officers against liabilities in relation to the company, as permitted by the Companies Act 2006, is in place. The cost of maintaining liabilities insurance during the year amounted to £1,439 (2020: £1,439).

Employees and Volunteers

The charitable company has a policy of offering employment / volunteering opportunities to persons with disabilities, where possible, as part of our overall equal opportunities policy.

Strategy and Future Plans - Summary

Sheffcare continues to focus on developing further residential and day care services for people living with dementia as we move away from providing general residential care which is increasingly being delivered in a community setting. This is in line with our strategy which aims to deliver excellence in dementia care.

We continue to review care homes in Sheffield which come on to the market to determine if they are a suitable acquisition for Sheffcare as we move towards creating higher environmental standards such as en-suite facilities and increased outdoor space. Our planned purchase of Newfield Care Home will support this strategy, providing 54 high quality en-suite rooms and an all dementia service.

TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Trustees' responsibilities statement

The trustees (who are also directors of Sheffcare Limited) for the purposes of company law are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BHP LLP, have indicated their willingness to continue in office, subject to approval by the members at the AGM.

This report incorporating the Strategic Report was approved by the trustees on 30 September 2021 and signed on their behalf by:



Dr David Johnson
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

Opinion

We have audited the financial statements Sheffcare Limited (the 'charitable company') for the year ended 31 March 2021 which comprise a Statement of Financial Activities, Balance Sheet, a Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report², other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report². Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report

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

- 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 trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

Auditor's responsibilities for the audit of the financial statements – continued

We gained an understanding of the legal and regulatory framework applicable to the association and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk. We focused on laws and regulations relevant to the association which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, trustees, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or the trustees that represented a risk of material misstatement due to fraud.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Sep 30, 2021 16:39 GMT+1)

Jane Marshall
For and on behalf of
BHP LLP

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield,
S10 2PD

Date: Sep 30, 2021

SHEFFCARE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note				
Income from:					
Donations and legacies	2	28	96,545	96,574	8,759
Charitable activities	3	12,028,223	1,107,490	13,135,713	12,148,304
Investments	4	3,066	-	3,066	4,126
Other income		92,927	-	92,927	-
Total income		12,124,244	1,204,035	13,328,280	12,161,189
Expenditure on:					
Raising funds		19,904	-	19,904	18,172
Charitable activities		11,667,446	697,120	12,364,566	12,456,394
Total expenditure	5	11,687,349	697,120	12,384,470	12,474,566
Net income/(expenditure) before other recognised gains and losses		436,895	506,915	943,810	(313,377)
Actuarial gains/(losses) on defined benefit pension schemes	20	252,000	-	252,000	639,000
Net movement in funds		688,895	506,915	1,195,810	325,623
Reconciliation of funds:					
Total funds brought forward		2,479,387	34,476	2,513,863	2,188,240
Net movement in funds		688,895	506,915	1,195,810	325,623
Total funds carried forward	15	3,168,282	541,391	3,709,673	2,513,863

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

The notes on pages 18 to 38 form part of these financial statements.

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	10		9,302,499		9,495,326
Current assets					
Debtors	11	781,008		896,585	
Cash at bank and in hand	18	2,275,121		1,167,632	
		3,056,129		2,064,217	
Creditors: amounts falling due within one year	12	(1,611,599)		(1,720,045)	
Net current assets			1,444,530		344,172
Total assets less current liabilities			10,747,029		9,839,498
Creditors: amounts falling due after more than one year	13		(1,902,356)		(2,049,635)
Net assets excluding pension scheme liabilities			8,844,673		7,789,863
Defined benefit pension scheme liability	19		(5,135,000)		(5,276,000)
Net assets including pension scheme liabilities			3,709,673		2,513,863
Charity funds					
Restricted funds	15		541,391		34,476
Unrestricted funds:	15				
Share capital	14	100		100	
Unrestricted funds	15	8,303,182		7,755,287	
Unrestricted funds excluding pension liability		8,303,282		7,755,387	
Pension reserve		(5,135,000)		(5,276,000)	
Total unrestricted funds			3,168,282		2,479,287
Total funds			3,709,673		2,513,863

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

BALANCE SHEET
AS AT 31 MARCH 2021

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 30 September 2021 and signed on their behalf, by:



Dr David Johnson, Chairman

The notes on pages 18 to 38 form part of these financial statements.

SHEFFCARE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	17	1,867,693	1,245,108
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,066	4,126
Purchase of tangible fixed assets		(615,991)	(1,027,046)
Net cash used in investing activities		(612,925)	(1,022,920)
Cash flows from financing activities:			
Additional borrowings		-	255,481
Repayments of borrowings		(147,279)	(151,935)
Net cash (used in)/provided by financing activities		(147,279)	103,546
Change in cash and cash equivalents in the year		1,107,489	325,734
Cash and cash equivalents brought forward		1,167,632	841,898
Cash and cash equivalents carried forward	18	2,275,121	1,167,632

The notes on pages 18 to 38 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

1.1 Company Status

The charitable company is a company limited by guarantee with a share capital. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.2 Basis of preparation of financial statements

Sheffcare Limited is a charitable company in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are on page 3 of these financial statements.

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 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006.

Sheffcare Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

Going concern

1.3

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

1.5 Income

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

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

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for a specific purpose but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

CJRS income is recognised in the period to which the claim relates.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred by the company in relation to providing residential care, home care, respite care and specialist care services including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at purchase cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
Leasehold property	-	25/50 years of the term of the lease if shorter
Leasehold renovations	-	6 years
Fixtures and fittings	-	4 years
Motor vehicles	-	4 years

1.8 Interest receivable

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

1.9 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Pension costs

The charity contributes to a pension scheme operated by The South Yorkshire Pension Authority providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the charity. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and actuarial gains and losses. Further details regarding the scheme are disclosed in note 20.

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the SOFA in the year they are payable.

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Taxation

The 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies (continued)**1.15 Employee benefits**

The cost of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Critical accounting estimates and areas of judgment

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

Critical accounts estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The following estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year are set out below.

South Yorkshire Pension Fund Liability:

The present value of the liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions will impact the carrying value of the liability.

Property valuations:

The carrying value of property and annual impairment reviews are subject to assessment involving estimates on future occupancy and state of repair of the properties.

Support costs:

Some costs incurred by the charity such as IT, insurance, and postage are shared between activities. The charity's policy is to allocate these costs on the basis of assessed consumption. This includes allocation between funds which are material by nature.

2. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	28	96,545	96,574	8,759
<i>Total 2020</i>	-	8,759	8,759	

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Residential bed fees	11,093,145	-	11,093,145	11,790,065
Private day care	286,180	-	286,180	341,065
Grant income	-	1,101,366	1,101,366	-
Other income	648,898	6,124	655,022	17,174
	12,028,223	1,107,490	13,135,713	12,148,304
<i>Total 2020</i>	<u>12,138,998</u>	<u>9,306</u>	<u>12,148,304</u>	

4. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	3,066	-	3,066	4,126
<i>Total 2020</i>	<u>4,126</u>	<u>-</u>	<u>4,126</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Analysis of expenditure by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Costs of raising funds					
Advertising and publicity	-	-	19,904	19,904	18,172
	-	-	19,904	19,904	18,172
Charitable activities					
Operation of care homes	8,706,156	787,790	2,780,944	12,274,890	12,357,370
Expenditure on governance costs (note 6)	40,975	-	48,701	89,676	99,024
	8,747,131	787,790	2,849,549	12,384,470	12,474,566
<i>Total 2020</i>	8,844,994	1,007,074	2,622,498	12,474,566	

Other costs

	2021 £	2020 £
Direct costs		
Premises	1,182,172	793,534
Provisions	605,406	712,949
Other resident costs	214,390	249,768
Other staff costs	62,893	164,761
Sub-total	2,064,861	1,921,012
Support costs		
Miscellaneous	47,505	27,489
Auditor's remuneration	12,690	11,000
Legal & professional	36,011	51,798
Office costs	496,644	418,082
Interest	47,934	37,945
Net pension financing cost	124,000	137,000
Advertising and publicity	19,904	18,172
Sub-total	784,688	701,486
Total	2,849,549	2,622,498

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Governance costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	12,690	-	12,690	11,000
Legal & professional	36,011	-	36,011	51,798
Wages and salaries	40,975	-	40,975	36,226
	89,676	-	89,676	99,024

7. Net income/ (expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets: - owned by the charity	787,790	1,007,074
Auditor's remuneration - audit	12,690	11,000

During the year, no Trustees received any remuneration (2020: £NIL).

During the year, no Trustees received any benefits in kind (2020: £NIL).

1 Trustee received reimbursement of expenses amounting to £55 in the current year, (2020: 1 Trustee - £142).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Staff costs

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	7,894,978	7,525,730
Social security costs	492,473	449,561
Other pension costs (Note 20)	256,942	432,955
	8,644,393	8,408,246
Agency costs	102,738	436,748
Total	8,747,131	8,844,994

The average number of persons (full time and part-time) employed by the company during the year was as follows:

	2021	2020
	No.	No.
Care Services	476	475
Management and administration of the charity	29	30
	505	505

The number of higher paid employees was:

	2021	2020
	No.	No.
In the band £90,001 - £100,000	1	0
In the band £80,001 - £90,000	0	1
In the band £70,001 - £80,000	0	1
In the band £60,001, - £70,000	2	2

During the year the key management personnel received pay of £295,086 (2020: £277,444).

At the year end, pension contributions outstanding amounted to £5,513 (2020: £28,810).

9. Other finance income

	2021	2020
	£	£
Interest income on pension scheme assets	411,000	435,000
Interest on pension scheme liabilities	(535,000)	(572,000)
	(124,000)	(137,000)

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Tangible fixed assets

	Freehold property £	Leasehold property £	Leasehold renovations £	Motor vehicles £	Fixtures and fittings £
Cost					
At 1 April 2020	1,700,000	6,569,848	3,689,625	51,360	1,225,796
Additions	-	-	-	-	615,991
Disposals correction	-	-	(750)	-	(16,143)
At 31 March 2021	1,700,000	6,569,848	3,688,875	51,360	1,825,644
Depreciation					
At 1 April 2020	62,334	2,045,822	972,684	10,700	649,763
Charge for the year	31,167	125,834	294,085	12,840	323,864
Disposals correction	2,833	(10)	(398)	-	1,710
At 31 March 2021	96,334	2,171,646	1,266,371	23,540	975,337
Net book value					
At 31 March 2021	1,603,666	4,398,202	2,422,504	27,820	850,307
At 31 March 2020	1,637,666	4,524,026	2,716,941	40,660	576,033
					Total
					£
Cost At 1 April 2020					13,236,629
Additions					615,991
Disposals					(16,893)
At 31 March 2021					13,835,727
Depreciation					
At 1 April 2020					3,741,303
Charge for the year					787,790
Disposals correction					4,135
At 31 March 2021					4,533,228
Net book value					
At 31 March 2021					9,302,499
At 31 March 2020					9,495,326

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Debtors

	2021	2020
	£	£
Trade debtors	581,079	668,140
Prepayments and accrued income	198,889	228,145
Other debtors	1,040	300
	<u>781,008</u>	<u>896,585</u>

12. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts (note 13)	147,279	147,279
Trade creditors	267,389	453,779
Other creditors	159,813	126,000
Accruals and deferred income	1,037,118	992,987
	<u>1,611,599</u>	<u>1,720,045</u>

Included within accruals and deferred income are bed fees received in advance as follows:

	£
<i>Deferred income</i>	
Deferred income at 1 April 2020	463,700
Resources deferred during the year	435,411
Amounts released from previous years	<u>(463,700)</u>
Deferred income at 31 March 2021	<u>435,411</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>1,902,356</u>	<u>2,049,635</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
<i>Less than one year</i>		
Bank loans	<u>147,279</u>	<u>147,279</u>

Between one and two years

Bank loans	<u>147,279</u>	<u>147,279</u>
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Between two and five years

Bank loans	<u>1,755,077</u>	<u>1,902,356</u>
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Total	<u>2,049,635</u>	<u>2,196,914</u>
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The bank loans are secured by way of debenture over the assets held by the company. A legal charge is also held on the freehold and leasehold land and buildings.

14. Share capital

	2021 £	2020 £
<i>Authorised, allotted, called up and fully paid</i>		
100- Ordinary shares of £1 each	<u>100</u>	<u>100</u>

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds**Statement of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds						
Capital contingency	100,000	-	-	-	-	100,000
	100,000	-	-	-	-	100,000
General funds						
General unrestricted funds	7,655,287	12,124,244	(11,576,349)	-	-	8,203,182
Share capital	100	-	-	-	-	100
Pension reserve	(5,276,000)	-	(111,000)	-	252,000	(5,135,000)
	2,379,387	12,124,244	(11,687,349)	-	252,000	3,068,282
Total Unrestricted funds	2,479,387	12,124,244	(11,687,349)	-	252,000	3,168,282
Restricted funds						
Comfort funds	34,476	102,670	(16,768)	-	-	120,378
Grant Income - Infection Prevention Control	-	837,755	(416,742)	-	-	421,013
Grant Income - Lateral Flow Device	-	123,250	(123,250)	-	-	-
Grant Income - Workforce Capacity	-	140,360	(140,360)	-	-	-
	34,476	1,204,035	(697,120)	-	-	541,391
Total of funds	2,513,863	13,328,280	(12,384,470)	-	252,000	3,709,673

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds

Statement of funds – previous year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds						
Existing care home extension	463,122	-	-	(463,122)	-	-
Capital contingency	200,000	-	-	(100,000)	-	100,000
Software enhancements	45,000	-	-	(45,000)	-	-
	708,122	-	-	(608,122)	-	100,000
General funds						
General unrestricted funds	7,221,274	12,143,124	(12,317,233)	608,122	-	7,655,287
Share capital	100	-	-	-	-	100
Pension reserve	(5,832,000)	-	(83,000)	-	639,000	(5,276,000)
	1,389,374	12,143,124	(12,400,233)	608,122	639,000	2,379,387
Total Unrestricted funds	2,097,496	12,143,124	(12,400,233)	-	639,000	2,479,387
Restricted funds						
Comfort funds	37,241	18,065	(20,830)	-	-	34,476
Legacy capital element	53,503	-	(53,503)	-	-	-
	90,744	18,065	(74,333)	-	-	34,476
Total of funds	2,188,240	12,161,189	(12,474,566)	-	639,000	2,513,863

Designated funds

The Trustees have designated funds of £100,000 to cover any potential overspends on capital and project budgets during the course of the year.

Restricted funds

Comfort funds – this is fundraising undertaken at a home level with the purpose being that the funds are spent on items for the benefit of the residents.

Grant income was received from Sheffield City Council specifically to help with the support of infection prevention control, lateral flow testing and workforce capacity due to the impact of Covid-19.

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Statement of funds (continued)**Summary of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	100,000	-	-	-	-	100,000
General funds	2,379,387	12,124,244	(11,687,349)	-	252,000	3,068,282
	2,479,387	12,124,244	(11,687,349)	-	252,000	3,168,282
Restricted funds	34,476	1,204,035	(697,121)	-	-	541,391
	2,513,863	13,328,280	(12,384,470)	-	252,000	3,709,673

Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	708,122	-	-	(608,122)	-	100,000
General funds	1,389,374	12,143,124	(12,400,233)	608,122	639,000	2,379,387
	2,097,496	12,143,124	(12,400,233)	-	639,000	2,479,387
Restricted funds	90,744	18,065	(74,333)	-	-	34,476
	2,188,240	12,161,189	(12,474,566)	-	639,000	2,513,863

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	8,881,487	421,013	9,302,499
Current assets	2,935,750	120,379	3,056,129
Creditors due within one year	(1,611,599)	-	(1,611,599)
Creditors due in more than one year	(1,902,356)	-	(1,902,356)
Provisions for liabilities and charges	(5,135,000)	-	(5,135,000)
	3,168,282	541,391	3,709,673

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	9,495,326	-	9,495,326
Current assets	2,029,741	34,476	2,064,217
Creditors due within one year	(1,720,045)	-	(1,720,045)
Creditors due in more than one year	(2,049,635)	-	(2,049,635)
Provisions for liabilities and charges	(5,276,000)	-	(5,276,000)
	2,479,387	34,476	2,513,863

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	943,810	(313,377)
Adjustment for:		
Depreciation charges	787,790	1,007,074
Excess of contributions over pension service cost	111,000	83,000
Interest from investments	(3,066)	(4,126)
Loss on the sale of fixed assets	21,028	47,158
(Increase)/decrease in debtors	115,577	364,757
(Decrease)/Increase in creditors	(108,446)	60,622
Net cash provided by operating activities	1,867,693	1,245,108

SHEFFCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	2,275,121	1,167,632
Total	2,275,121	1,167,632

19. Analysis of changes in net debt

	At April 2020	Cash Flows	At 31 March 2021
	£	£	£
Cash in hand	1,167,632	1,107,489	2,275,121
Bank loan (due in 1 year)	(147,279)	-	(147,279)
Bank loan (due in over 1 year)	(2,049,635)	147,279	(1,902,356)
Total	(1,029,282)	1,317,768	225,486

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Pension commitments

The company operates a defined contribution pension scheme with NEST. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £157,980 (2020: £150,949).

The company also operates a defined benefit funded statutory pension scheme administered by the South Yorkshire Pensions Authority in accordance with the Local Government Pension Scheme Regulations 1995. A tri-annual actuarial valuation of this fund was last carried out in accordance with the Regulations as at 31 March 2019.

The principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages) were:

	2021	2020
Discount rate at 31 March	2.10%	2.40%
Future salary increases	3.95%	3.35%
Future pension increases	2.80%	2.20%

FRS102 requires the present value of pension liabilities to be calculated by discounting pension commitments, including salary growth, at an AA corporate bond yield. The FRS102 value of liabilities at March 2021 was £25,209,000 (2020: £22,734,000) and the market value of assets was £20,074,000 (2020: £17,458,000) giving a scheme deficit of £5,135,000 (2020: £5,276,000).

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March	Fair value at 31 March
	2021	2020
	£	£
Equities	9,856,000	9,026,000
Government Bonds	2,710,000	2,357,000
Other bonds	1,646,000	1,274,000
Property	1,827,000	1,571,000
Cash	281,000	524,000
Other	3,754,000	2,706,000
Total market value of assets	20,074,000	17,458,000

The actual return on scheme assets was a loss of £3,306,000 (2020: £539,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(87,000)	(104,000)
Past service cost	-	(165,000)
Interest on obligation	(535,000)	(572,000)
Expected return on scheme assets	411,000	435,000
Administration expenses	(1,000)	(2,000)
	<u>(212,000)</u>	<u>(408,000)</u>
Total	<u>(212,000)</u>	<u>(408,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	22,734,000	24,137,000
Past service cost	-	165,000
Current service cost	87,000	104,000
Interest cost	535,000	572,000
Contributions by scheme participants	18,000	21,000
Actuarial (gains)/losses	2,642,000	(1,558,000)
Benefits paid	(807,000)	(707,000)
	<u>25,209,000</u>	<u>22,734,000</u>
Closing defined benefit obligation	<u>25,209,000</u>	<u>22,734,000</u>

Changes in the fair value of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	17,458,000	18,305,000
Expected return on assets	411,000	435,000
Actuarial gains and (losses)	2,894,000	(919,000)
Contributions by employer	101,000	325,000
Contributions by scheme participants	18,000	21,000
Administration expenses	(1,000)	(2,000)
Benefits paid	(807,000)	(707,000)
	<u>20,074,000</u>	<u>17,458,000</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was a gain of £252,000 (2020: £639,000).

The company expects to contribute £45,720 to its defined benefit pension scheme in 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2021 £	2020 £
Defined benefit obligation	(25,209,000)	(22,734,000)
Scheme assets	20,074,000	17,458,000
Deficit	(5,135,000)	(5,276,000)
Experience adjustments on scheme liabilities – Gain/(Loss)	(2,642,000)	1,558,000
Experience adjustments on scheme assets – (Loss)/gain	2,894,000	(919,000)

21. Operating lease commitments

At 31 March 2021 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts payable:		
Within 1 year	69,192	61,669
Between 2 to 5 years	162,243	207,675
Total	231,435	269,344

22. Related party transactions

There were no related party transactions during the financial year (2020: £Nil).

23. Capital Commitments

At the end of the financial year capital expenditure contracted for but not provided in the accounts was £Nil (2020: £Nil).