

Registered number: 02538734  
Charity number: 1054227

**SHEFFCARE LIMITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**SHEFFCARE LIMITED**

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**SHEFFCARE LIMITED**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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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



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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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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.

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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**

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Difference in mean hourly rate of pay	-4 %
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Difference in median hourly rate of pay	1 %
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**Bonus pay**

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	Male	Female
Percentage of employees who received bonus pay	5.08 %	3.28 %
Difference in mean bonus pay		3 %

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**Bonus pay**

	<b>Male</b>	<b>Female</b>
Difference in median bonus pay		25 %

**Employees by pay quartile**

	<b>Male</b>	<b>Female</b>
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.

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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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.



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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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.

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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 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 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	<b><u>£1,026,000</u></b>

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	<b><u>£1,371,330</u></b>

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.

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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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><b>3,709,673</b></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.

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**TRUSTEES' REPORT INCORPORATING A STRATEGIC REPORT (continued)**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED**

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**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 report<sup>2</sup>, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report<sup>2</sup>. 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED**

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**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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED**

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**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

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**SHEFFCARE LIMITED**

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
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	-
<b>Total income</b>		<b>12,124,244</b>	<b>1,204,035</b>	<b>13,328,280</b>	<b>12,161,189</b>
<b>Expenditure on:</b>					
Raising funds		19,904	-	19,904	18,172
Charitable activities		11,667,446	697,120	12,364,566	12,456,394
<b>Total expenditure</b>	5	<b>11,687,349</b>	<b>697,120</b>	<b>12,384,470</b>	<b>12,474,566</b>
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>436,895</b>	<b>506,915</b>	<b>943,810</b>	<b>(313,377)</b>
Actuarial gains/(losses) on defined benefit pension schemes	20	252,000	-	252,000	639,000
<b>Net movement in funds</b>		<b>688,895</b>	<b>506,915</b>	<b>1,195,810</b>	<b>325,623</b>
<b>Reconciliation of funds:</b>					
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
<b>Total funds carried forward</b>	15	<b>3,168,282</b>	<b>541,391</b>	<b>3,709,673</b>	<b>2,513,863</b>

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.



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**SHEFFCARE LIMITED**

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REGISTERED NUMBER: 02538734

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

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	Note	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	10		<b>9,302,499</b>		9,495,326
<b>Current assets</b>					
Debtors	11	<b>781,008</b>		896,585	
Cash at bank and in hand	18	<b>2,275,121</b>		<b>1,167,632</b>	
		<b>3,056,129</b>		2,064,217	
<b>Creditors:</b> amounts falling due within one year	12	<b>(1,611,599)</b>		<b>(1,720,045)</b>	
<b>Net current assets</b>			<b>1,444,530</b>		344,172
<b>Total assets less current liabilities</b>			<b>10,747,029</b>		9,839,498
<b>Creditors:</b> amounts falling due after more than one year	13		<b>(1,902,356)</b>		<b>(2,049,635)</b>
<b>Net assets excluding pension scheme liabilities</b>			<b>8,844,673</b>		7,789,863
Defined benefit pension scheme liability	19		<b>(5,135,000)</b>		<b>(5,276,000)</b>
<b>Net assets including pension scheme liabilities</b>			<b>3,709,673</b>		<b>2,513,863</b>
<b>Charity funds</b>					
Restricted funds	15		<b>541,391</b>		34,476
Unrestricted funds:	15				
Share capital	14	<b>100</b>		100	
Unrestricted funds	15	<b>8,303,182</b>		<b>7,755,287</b>	
Unrestricted funds excluding pension liability		<b>8,303,282</b>		7,755,387	
Pension reserve		<b>(5,135,000)</b>		<b>(5,276,000)</b>	
Total unrestricted funds			<b>3,168,282</b>		<b>2,479,287</b>
<b>Total funds</b>			<b>3,709,673</b>		<b>2,513,863</b>

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**SHEFFCARE LIMITED**

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REGISTERED NUMBER: 02538734

BALANCE SHEET  
*AS AT 31 MARCH 2021*

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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.

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**SHEFFCARE LIMITED**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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	<b>Note</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	<b>1,867,693</b>	1,245,108
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>3,066</b>	4,126
Purchase of tangible fixed assets		<b>(615,991)</b>	(1,027,046)
<b>Net cash used in investing activities</b>		<b>(612,925)</b>	(1,022,920)
<b>Cash flows from financing activities:</b>			
Additional borrowings		-	255,481
Repayments of borrowings		<b>(147,279)</b>	(151,935)
<b>Net cash (used in)/provided by financing activities</b>		<b>(147,279)</b>	103,546
<b>Change in cash and cash equivalents in the year</b>		<b>1,107,489</b>	325,734
Cash and cash equivalents brought forward		<b>1,167,632</b>	841,898
<b>Cash and cash equivalents carried forward</b>	18	<b>2,275,121</b>	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*

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	<b>28</b>	<b>96,545</b>	<b>96,574</b>	8,759
<i>Total 2020</i>	-	8,759	8,759	



**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**3. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Residential bed fees	<b>11,093,145</b>	-	<b>11,093,145</b>	11,790,065
Private day care	<b>286,180</b>	-	<b>286,180</b>	341,065
Grant income	-	<b>1,101,366</b>	<b>1,101,366</b>	-
Other income	<b>648,898</b>	<b>6,124</b>	<b>655,022</b>	17,174
	<b>12,028,223</b>	<b>1,107,490</b>	<b>13,135,713</b>	12,148,304
<i>Total 2020</i>	12,138,998	9,306	12,148,304	

**4. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Investment income	<b>3,066</b>	-	<b>3,066</b>	4,126
<i>Total 2020</i>	4,126	-	4,126	

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 £
<b>Costs of raising funds</b>					
Advertising and publicity	-	-	19,904	19,904	18,172
	-	-	19,904	19,904	18,172
<b>Charitable activities</b>					
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
	<b>8,747,131</b>	<b>787,790</b>	<b>2,849,549</b>	<b>12,384,470</b>	<b>12,474,566</b>
<i>Total 2020</i>	8,844,994	1,007,074	2,622,498	12,474,566	

**Other costs**

	2021 £	2020 £
<b>Direct costs</b>		
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
<b>Support costs</b>		
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*

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**6. Governance costs**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Auditor's remuneration	<b>12,690</b>	-	<b>12,690</b>	11,000
Legal & professional	<b>36,011</b>	-	<b>36,011</b>	51,798
Wages and salaries	<b>40,975</b>	-	<b>40,975</b>	36,226
	<b>89,676</b>	-	<b>89,676</b>	99,024

**7. Net income/ (expenditure)**

This is stated after charging:

	<b>2021 £</b>	<b>2020 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>787,790</b>	1,007,074
Auditor's remuneration - audit	<b>12,690</b>	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*

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**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
	<b>8,644,393</b>	8,408,246
Agency costs	<b>102,738</b>	436,748
Total	<b>8,747,131</b>	8,844,994

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

	2021 No.	2020 No.
Care Services	476	475
Management and administration of the charity	29	30
	<b>505</b>	505

The number of higher paid employees was:

	2021 No.	2020 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)
	<b>(124,000)</b>	(137,000)

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 £
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
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
					<b>Total £</b>
Cost At 1 April 2020					13,236,629
Additions					615,991
Disposals					(16,893)
At 31 March 2021					13,835,727
<b>Depreciation</b>					
At 1 April 2020					3,741,303
Charge for the year					787,790
Disposals correction					4,135
At 31 March 2021					4,533,228
<b>Net book value</b>					
At 31 March 2021					9,302,499
At 31 March 2020					9,495,326

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**11. Debtors**

	2021 £	2020 £
Trade debtors	581,079	668,140
Prepayments and accrued income	198,889	228,145
Other debtors	1,040	300
	<b>781,008</b>	<b>896,585</b>

**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
	<b>1,611,599</b>	<b>1,720,045</b>

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

	£
<b><i>Deferred income</i></b>	
Deferred income at 1 April 2020	463,700
Resources deferred during the year	435,411
Amounts released from previous years	<b>(463,700)</b>
Deferred income at 31 March 2021	<b>435,411</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**13. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Bank loans	<b>1,902,356</b>	2,049,635

Included within the above are amounts falling due as follows:

	2021 £	2020 £
<b><i>Less than one year</i></b>		
Bank loans	<b>147,279</b>	147,279

***Between one and two years***

Bank loans	<b>147,279</b>	147,279
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***Between two and five years***

Bank loans	<b>1,755,077</b>	1,902,356
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Total	<b>2,049,635</b>	2,196,914
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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 £
<b><i>Authorised, allotted, called up and fully paid</i></b>		
100- Ordinary shares of £1 each	<b>100</b>	100

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 £
<b>Designated funds</b>						
Capital contingency	100,000	-	-	-	-	100,000
	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>
<b>General funds</b>						
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)
	<b>2,379,387</b>	<b>12,124,244</b>	<b>(11,687,349)</b>	<b>-</b>	<b>252,000</b>	<b>3,068,282</b>
Total Unrestricted funds	<b>2,479,387</b>	<b>12,124,244</b>	<b>(11,687,349)</b>	<b>-</b>	<b>252,000</b>	<b>3,168,282</b>
<b>Restricted funds</b>						
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)	-	-	-
	<b>34,476</b>	<b>1,204,035</b>	<b>(697,120)</b>	<b>-</b>	<b>-</b>	<b>541,391</b>
Total of funds	<b>2,513,863</b>	<b>13,328,280</b>	<b>(12,384,470)</b>	<b>-</b>	<b>252,000</b>	<b>3,709,673</b>



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 £
<b>Designated funds</b>						
Existing care home extension	463,122	-	-	(463,122)	-	-
Capital contingency	200,000	-	-	(100,000)	-	100,000
Software enhancements	45,000	-	-	(45,000)	-	-
	<b>708,122</b>	<b>-</b>	<b>-</b>	<b>(608,122)</b>	<b>-</b>	<b>100,000</b>
<b>General funds</b>						
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)
	<b>1,389,374</b>	<b>12,143,124</b>	<b>(12,400,233)</b>	<b>608,122</b>	<b>639,000</b>	<b>2,379,387</b>
Total Unrestricted funds	<b>2,097,496</b>	<b>12,143,124</b>	<b>(12,400,233)</b>	<b>-</b>	<b>639,000</b>	<b>2,479,387</b>
<b>Restricted funds</b>						
Comfort funds	37,241	18,065	(20,830)	-	-	34,476
Legacy capital element	53,503	-	(53,503)	-	-	-
	<b>90,744</b>	<b>18,065</b>	<b>(74,333)</b>	<b>-</b>	<b>-</b>	<b>34,476</b>
Total of funds	<b>2,188,240</b>	<b>12,161,189</b>	<b>(12,474,566)</b>	<b>-</b>	<b>639,000</b>	<b>2,513,863</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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.

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)
	<b>3,168,282</b>	<b>541,391</b>	<b>3,709,673</b>

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)
	<b>2,479,387</b>	<b>34,476</b>	<b>2,513,863</b>

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)	<b>943,810</b>	(313,377)
<b>Adjustment for:</b>		
Depreciation charges	<b>787,790</b>	1,007,074
Excess of contributions over pension service cost	<b>111,000</b>	83,000
Interest from investments	<b>(3,066)</b>	(4,126)
Loss on the sale of fixed assets	<b>21,028</b>	47,158
(Increase)/decrease in debtors	<b>115,577</b>	364,757
(Decrease)/Increase in creditors	<b>(108,446)</b>	60,622
<b>Net cash provided by operating activities</b>	<b>1,867,693</b>	1,245,108

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**18. Analysis of cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>2,275,121</b>	1,167,632
Total	<b>2,275,121</b>	1,167,632

**19. Analysis of changes in net debt**

	<b>At April 2020</b>	<b>Cash Flows</b>	<b>At 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash in hand	1,167,632	1,107,489	<b>2,275,121</b>
Bank loan (due in 1 year)	(147,279)	-	<b>(147,279)</b>
Bank loan (due in over 1 year)	(2,049,635)	147,279	<b>(1,902,356)</b>
Total	(1,029,282)	1,317,768	<b>225,486</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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:

	<b>2021</b>	<b>2020</b>
Discount rate at 31 March	<b>2.10%</b>	2.40%
Future salary increases	<b>3.95%</b>	3.35%
Future pension increases	<b>2.80%</b>	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:

	<b>Fair value at 31 March</b>	<b>Fair value at 31 March</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Equities	<b>9,856,000</b>	9,026,000
Government Bonds	<b>2,710,000</b>	2,357,000
Other bonds	<b>1,646,000</b>	1,274,000
Property	<b>1,827,000</b>	1,571,000
Cash	<b>281,000</b>	524,000
Other	<b>3,754,000</b>	2,706,000
Total market value of assets	<b>20,074,000</b>	17,458,000

The actual return on scheme assets was a loss of £3,306,000 (2020: £539,000).

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 MARCH 2021*

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**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)
Total	(212,000)	(408,000)

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)
Closing defined benefit obligation	25,209,000	22,734,000

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)
	20,074,000	17,458,000

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*

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**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
	<hr/>	<hr/>
Deficit	(5,135,000)	(5,276,000)
	<hr/>	<hr/>
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)
	<hr/>	<hr/>

**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 £
<b>Amounts payable:</b>		
Within 1 year	69,192	61,669
Between 2 to 5 years	162,243	207,675
	<hr/>	<hr/>
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).