

Registered number: 02538734  
Charity number: 1054227

**SHEFFCARE LIMITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**SHEFFCARE LIMITED**

---

**CONTENTS**

---

	<b>Page</b>
Reference and administrative details of the charity, its trustees and advisers	<b>1</b>
Chair's report	<b>2</b>
Trustees' report	<b>3 - 10</b>
Independent auditor's report	<b>11 - 14</b>
Consolidated statement of financial activities	<b>15</b>
Consolidated balance sheet	<b>16 - 17</b>
Sheffcare Limited balance sheet	<b>18 - 19</b>
Consolidated statement of cash flows	<b>20</b>
Notes to the financial statements	<b>21 - 42</b>

**Trustees**

David Johnson, Chair  
Anna Gailey, Director (resigned 5<sup>th</sup> 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 26<sup>th</sup> 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 dark ink, appearing to read 'David Johnson', written over a light blue horizontal line.

---

**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	<b><u>£1,337,119</u></b>

---

**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><b>£1,431,200</b></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><b>5,212,880</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 £1,799 (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 then 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

---

**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 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				
<b>Income from:</b>					
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
<b>Total income</b>		<b>10,904,228</b>	<b>1,420,062</b>	<b>12,324,290</b>	<b>13,328,280</b>
<b>Expenditure on:</b>					
Raising funds		18,286	-	18,286	19,904
<b>Charitable activities</b>					
Charitable activities - Ongoing		10,648,126	1,546,179	12,194,305	12,364,566
Charitable activities – Disposals		458,492	-	458,492	-
<b>Total expenditure</b>	5	<b>11,124,904</b>	<b>1,546,179</b>	<b>12,671,083</b>	<b>12,384,470</b>
<b>Net (expenditure)/income before other recognised gains and losses</b>		<b>(220,676)</b>	<b>(126,117)</b>	<b>(346,793)</b>	<b>943,810</b>
Actuarial gains on defined benefit pension schemes	21	1,850,000	-	1,850,000	252,000
<b>Net movement in funds</b>		<b>1,629,324</b>	<b>(126,117)</b>	<b>1,503,207</b>	<b>1,195,810</b>
<b>Reconciliation of funds:</b>					
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
<b>Total funds carried forward</b>	16	<b>4,797,606</b>	<b>415,274</b>	<b>5,212,880</b>	<b>3,709,673</b>

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 £
<b>Fixed assets</b>					
Tangible assets	10		<b>10,058,173</b>		9,302,499
<b>Current assets</b>					
Debtors	12	<b>1,444,854</b>		781,008	
Cash at bank and in hand	19	<b>2,103,952</b>		<u>2,723,696</u>	
		<b>3,548,806</b>		3,504,704	
<b>Creditors: amounts falling due within one year</b>	13	<b>(2,118,262)</b>		<u>(2,060,174)</u>	
<b>Net current assets</b>			<u><b>1,430,544</b></u>		<u>1,444,530</u>
<b>Total assets less current liabilities</b>			<b>11,488,717</b>		10,747,029
<b>Creditors: amounts falling due after more than one year</b>	14		<u><b>(2,889,837)</b></u>		<u>(1,902,356)</u>
<b>Net assets excluding pension scheme liabilities</b>			<b>8,598,880</b>		8,844,673
Defined benefit pension scheme liability	21		<u><b>(3,386,000)</b></u>		<u>(5,135,000)</u>
<b>Net assets</b>			<u><b>5,212,880</b></u>		<u>3,709,673</u>
<b>Charity funds</b>					
Restricted funds	16		<b>415,274</b>		541,391
Unrestricted funds:					
Share capital	15	<b>100</b>		100	
Unrestricted funds	16	<b>8,183,506</b>		<u>8,303,182</u>	
Unrestricted funds excluding pension liability		<b>8,183,606</b>		8,303,282	
Pension reserve	16	<b>(3,386,000)</b>		<u>(5,135,000)</u>	
Total unrestricted funds			<u><b>4,797,606</b></u>		<u>3,168,282</u>
<b>Total funds</b>			<u><b>5,212,880</b></u>		<u>3,709,673</u>

---

**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 £
<b>Fixed assets</b>					
Tangible assets	10		10,058,173		9,302,499
Investment in subsidiary	11		<u>1</u>		<u>-</u>
			10,058,174		9,302,499
<b>Current assets</b>					
Debtors	12	1,516,489		781,008	
Cash at bank and in hand	19	<u>2,032,324</u>		<u>2,723,696</u>	
		3,548,813		3,504,704	
<b>Creditors:</b> amounts falling due within one year	13	<u>(2,118,262)</u>		<u>(2,060,174)</u>	
<b>Net current assets</b>			<u>1,430,551</u>		<u>1,444,530</u>
<b>Total assets less current liabilities</b>			11,488,725		10,747,029
<b>Creditors:</b> amounts falling due after more than one year	14		<u>(2,889,837)</u>		<u>(1,902,356)</u>
<b>Net assets excluding pension scheme liabilities</b>			8,598,888		8,844,673
Defined benefit pension scheme liability	21		<u>(3,386,000)</u>		<u>(5,135,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u>5,212,888</u>		<u>3,709,673</u>
<b>Charity funds</b>					
Restricted funds	16		415,274		541,391
Unrestricted funds:					
Share capital	15	100		100	
Unrestricted funds	16	<u>8,183,514</u>		<u>8,303,182</u>	
Unrestricted funds excluding pension liability		8,183,614		8,303,282	
Pension reserve	16	<u>(3,386,000)</u>		<u>(5,135,000)</u>	
Total unrestricted funds			<u>4,797,614</u>		<u>3,168,282</u>
<b>Total funds</b>			<u>5,212,888</u>		<u>3,709,673</u>

---

**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**

---

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>As restated</b> <b>2021</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<b>366,457</b>	2,316,268
<b>Cash flows from investing activities:</b>			
Interest received		<b>2,495</b>	3,066
Purchase of tangible fixed assets		<b>(2,045,180)</b>	(615,991)
<b>Net cash used in investing activities</b>		<b>(2,042,685)</b>	(612,925)
Additional borrowings		<b>1,250,000</b>	-
Repayments of borrowings		<b>(193,516)</b>	(147,279)
<b>Net cash provided by financing activities</b>		<b>1,056,484</b>	(147,279)
<b>Change in cash and cash equivalents in the year</b>		<b>(619,744)</b>	1,556,064
Cash and cash equivalents brought forward		<b>2,723,696</b>	1,167,632
<b>Cash and cash equivalents carried forward</b>	19	<b>2,103,952</b>	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 £
<b>Costs of raising funds</b>					
Advertising and publicity	-	-	18,286	18,286	19,904
	-	-	18,286	18,286	19,904
<b>Charitable activities</b>					
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
<b>Total 2021</b>	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 £
<b>Direct costs</b>		
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
<b>Support costs</b>		
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
<b>Total</b>	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
	<b>127,447</b>	-	<b>127,447</b>	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	<b>17,406</b>	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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>7,511,186</b>	7,894,978
Social security costs	<b>495,351</b>	492,473
Other pension costs	<b>233,679</b>	256,942
	<b>8,240,216</b>	8,644,393
Agency costs	<b>736,180</b>	102,738
Total	<b>8,976,396</b>	8,747,131

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Care Services	<b>435</b>	476
Management and administration of the charity	<b>29</b>	29
	<b>464</b>	505

The number of higher paid employees was:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest income on pension scheme assets	<b>415,000</b>	411,000
Interest on pension scheme liabilities	<b>(523,000)</b>	(535,000)
	<b>(108,000)</b>	(124,000)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

## 10. Tangible fixed assets

## Group &amp; Charity

	Freehold property £	Leasehold property £	Leasehold renovations £	Motor vehicles £	Fixtures and fittings £
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
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
					<b>Total £</b>
Cost At 1 April 2021					13,835,727
Additions					2,045,180
Disposals					(1,075,915)
At 31 March 2022					14,804,992
<b>Depreciation</b>					
At 1 April 2021					4,533,228
Charge for the year					830,205
Disposals					(616,614)
At 31 March 2022					4,746,819
<b>Net book value</b>					
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 £
<b>Charity</b>		
<b>Cost or valuation</b>		
At 1 April 2021	-	-
Additions	1	1
Disposals	-	-
Revaluations	-	-
<b>At 31 March 2022</b>	<b>1</b>	<b>1</b>
<b>Net book value</b>		
<b>At 31 March 2022</b>	<b>1</b>	<b>1</b>
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**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Trade debtors	<b>667,435</b>	581,079	<b>667,435</b>	581,079
Prepayments and accrued income	<b>622,641</b>	198,889	<b>622,641</b>	198,889
Other debtors	<b>154,778</b>	1,040	<b>226,413</b>	1,040
	<b>1,444,854</b>	781,008	<b>1,516,489</b>	781,008

**13. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<b>As restated Group 2021 £</b>	<b>Charity 2022 £</b>	<b>As restated Charity 2021 £</b>
Bank loans and overdrafts (note 14)	<b>216,282</b>	147,279	<b>216,282</b>	147,279
Trade creditors	<b>185,134</b>	267,389	<b>185,134</b>	267,389
Other creditors	<b>665,879</b>	608,388	<b>665,879</b>	608,388
Accruals and deferred income	<b>1,050,967</b>	1,037,118	<b>1,050,967</b>	1,037,118
	<b>2,118,262</b>	2,060,174	<b>2,118,262</b>	2,060,174

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

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
<b>Deferred income</b>				
Deferred income at 1 April 2021	<b>435,411</b>	463,700	<b>435,411</b>	463,700
Resources deferred during the year	<b>454,926</b>	435,411	<b>454,926</b>	435,411
Amounts released from previous years	<b>(435,411)</b>	(463,700)	<b>(435,411)</b>	(463,700)
Deferred income at 31 March 2022	<b>454,926</b>	435,411	<b>454,926</b>	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	<b>2,889,837</b>	1,902,356	<b>2,889,837</b>	1,902,356

Included within the above are amounts falling due as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b><i>Less than one year</i></b>				
Bank loans	<b>216,282</b>	147,279	<b>216,282</b>	147,279
<b><i>Between one and two years</i></b>				
Bank loans	<b>218,023</b>	147,279	<b>218,023</b>	147,279
<b><i>Between two and five years</i></b>				
Bank loans	<b>2,671,814</b>	1,755,077	<b>2,671,814</b>	1,755,077
Total	<b>3,106,119</b>	2,049,635	<b>3,106,119</b>	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 £
<b><i>Authorised, allotted, called up and fully paid</i></b>		
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 £
<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	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)
	<b>3,068,282</b>	<b>10,904,228</b>	<b>(11,124,904)</b>	<b>-</b>	<b>1,850,000</b>	<b>4,697,606</b>
Total Unrestricted funds	<b>3,168,282</b>	<b>10,904,228</b>	<b>(11,124,904)</b>	<b>-</b>	<b>1,850,000</b>	<b>4,797,606</b>
<b>Restricted funds</b>						
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)	-	-	-
	<b>541,391</b>	<b>1,420,062</b>	<b>(1,546,179)</b>	<b>-</b>	<b>-</b>	<b>415,274</b>
Total of funds	<b>3,709,673</b>	<b>12,324,290</b>	<b>(12,671,083)</b>	<b>-</b>	<b>1,850,000</b>	<b>5,212,880</b>

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 £
<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	12,124,245	(11,576,350)	-	-	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>12,124,245</b>	<b>(11,687,350)</b>	<b>-</b>	<b>252,000</b>	<b>3,068,282</b>
Total Unrestricted funds	<b>2,479,387</b>	<b>12,124,245</b>	<b>(11,687,350)</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 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.

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)
	<b>4,797,606</b>	<b>415,274</b>	<b>5,212,880</b>

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

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
<b>Adjustment for:</b>		
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
	<b>366,457</b>	<b>2,316,268</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

---

**19. Analysis of cash and cash equivalents**

	<b>Group</b>	As restated Group	<b>Charity</b>	As restated Charity
	<b>2022</b>	2021	<b>2022</b>	2021
	£	£	£	£
Cash in hand	<b>2,103,952</b>	2,723,696	<b>2,032,324</b>	2,723,696
Total	<b>2,103,952</b>	2,723,696	<b>2,032,324</b>	2,723,696

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

	As restated At April 2021 £	Cash Flows £	<b>At 31 March 2022 £</b>
Cash in hand	2,723,696	(619,744)	<b>2,103,952</b>
Bank loan (due in 1 year)	(147,279)	(69,003)	<b>(216,282)</b>
Bank loan (due in over 1 year)	(1,902,356)	(987,481)	<b>(2,889,837)</b>
Total	674,061	(1,676,228)	<b>(1,002,167)</b>

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 £
<b>Amounts payable:</b>		
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.