

Registered number: 02538734
Charity number: 1054227

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

SHEFFCARE LIMITED

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

Trustees & Directors

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

Company registered number

02538734

Charity registered number

1054227

Registered office

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

Chief executive officer

Claire Rintoul

Senior management team

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

Independent auditor

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

Bankers

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

Solicitors

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

SHEFFCARE LIMITED

CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

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

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

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

DocuSigned by:

David Johnson

CA2013DAED5141A...

Dr David Johnson, Chairman

Date 5 October 2023



SHEFFCARE LIMITED

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

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

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Objectives and Activities**a. Policies and objectives**

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

b. Our Purpose

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

c. Our Guiding Principle

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

d. Our Values

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

- Kindness
- Dignity
- Respect
- Independence &
- Choices

e. Public Benefit

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

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

SHEFFCARE LIMITED

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

Structure, governance and management**a. Constitution**

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

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

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

c. Organisational structure and decision making

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

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

d. Pay policy for senior staff

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

e. Related party relationships

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

f. Engagement with employees (including disabled persons)

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

SHEFFCARE LIMITED

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

g. Gender Pay Gap (GPG)

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

Hourly rate

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

Bonus pay

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

Employees by pay quartile

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

Strategic Report
Achievements and performance
a. Operating environment

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

SHEFFCARE LIMITED

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

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

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

b. Sheffcare's people – our staff and volunteers

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

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

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

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

c. Care Quality Commission (CQC)

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

d. Technology

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

SHEFFCARE LIMITED

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

Risk management

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

a. Safety and Compliance Risk

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

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

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

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

SYPA Scheme Deficit

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

Funding Risks

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

SHEFFCARE LIMITED

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

Financial review
a. Results of the year

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

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

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

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

b. Pension scheme

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

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

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

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

c. Reserves Policy

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

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

SHEFFCARE LIMITED

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

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

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

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

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

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

A summary of reserves at 31 March 2023 is:

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

Trustees' interests

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

Liability insurance

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

Employees and Volunteers

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

Strategy and Future Plans - Summary

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

SHEFFCARE LIMITED

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

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

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

Fundraising Statement

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

Trustees' responsibilities statement

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

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

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

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

In so far as the trustees are aware:

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


SHEFFCARE LIMITED

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

Auditor

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

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

DocuSigned by:

CA2043DAED5141A
Dr David Johnson
Chairman

SHEFFCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEFFCARE LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

SHEFFCARE LIMITED

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

SHEFFCARE LIMITED

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

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

SHEFFCARE LIMITED

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

Use of our report

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

DocuSigned by:

7E557E4123BD43B...
Jane Boulton (Senior Statutory Auditor)

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

06 October 2023
Date.....

SHEFFCARE LIMITED

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

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

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

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

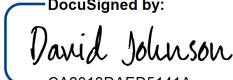
	Note	£	2023 £	£	Re-stated 2022 £
Fixed assets					
Tangible assets	10		9,606,767		10,218,049
Current assets					
Debtors	12	1,167,303		1,444,854	
Cash at bank and in hand	19	2,159,499		2,103,952	
		3,326,802		3,548,806	
Creditors: amounts falling due within one year	13	(2,340,020)		(2,118,262)	
Net current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

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

DocuSigned by:

GA2013DAED6141A.....

Dr David Johnson, Chairman

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

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

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

SHEFFCARE LIMITED

REGISTERED NUMBER: 02538734

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

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

DocuSigned by:

CA2013DAED5141A...
Dr David Johnson, Chairman

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

SHEFFCARE LIMITED

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

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

SHEFFCARE LIMITED

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

1. Accounting Policies**1.1 Company Status**

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

1.2 Basis of preparation of financial statements

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

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

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

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

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

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

1.3 Going concern

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

1.4 Fund accounting

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

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

SHEFFCARE LIMITED

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

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

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

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

1.5 Income

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

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

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

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

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

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

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

SHEFFCARE LIMITED

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

1. Accounting Policies (continued)
1.6 Redundancy payments

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

1.7 Expenditure and irrecoverable VAT

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

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

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

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

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at purchase cost.

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

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

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

1.9 Interest receivable

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

SHEFFCARE LIMITED

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

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

Investments in subsidiaries are valued at cost.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 Pension costs

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

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

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

1.15 Financial instruments

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

SHEFFCARE LIMITED

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

1. Accounting Policies (continued)
1.16 Taxation

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

1.17 Employee benefits

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

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

1.18 Critical accounting estimates and areas of judgment

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

Critical accounts estimates and assumptions:

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

South Yorkshire Pension Fund Liability:

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

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

Property:

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

Support costs:

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

SHEFFCARE LIMITED

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

1. Accounting Policies (continued)

1.19 Operating Leases

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

SHEFFCARE LIMITED

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

2. Income from donations and legacies

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

3. Income from charitable activities

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

4. Investment income

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

SHEFFCARE LIMITED

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

5. Analysis of expenditure by expenditure type

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

Other costs

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

SHEFFCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
*FOR THE YEAR ENDED 31 MARCH 2023***6. Governance costs**

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

7. Net income/ (expenditure)

This is stated after charging:

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

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

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

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

SHEFFCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
8. Staff costs

Staff costs were as follows:

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

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

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

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

The number of higher paid employees was:

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

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

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

9. Other finance expense

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

SHEFFCARE LIMITED

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

10. Tangible fixed assets

Group & Charity

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

SHEFFCARE LIMITED

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

11. Fixed asset investments

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

Principal subsidiaries

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

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

The financial results of the subsidiary for the year were:

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

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

Subsidiary exemption from audit

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

SHEFFCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
12. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	732,061	667,435	732,061	667,435
Prepayments and accrued income	355,702	622,641	355,702	622,641
Other debtors	79,540	154,778	79,708	226,413
	1,167,303	1,444,854	1,167,471	1,516,489

13. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans and overdrafts (note 14)	112,515	216,282	112,515	216,282
Trade creditors	410,464	185,134	410,464	185,134
Other creditors	588,415	665,879	588,415	665,879
Accruals and deferred income	1,228,626	1,050,967	1,228,626	1,050,967
	2,340,020	2,118,262	2,340,020	2,118,262

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<i>Deferred income</i>				
Deferred income at 1 April 2022	454,926	435,411	454,926	435,411
Resources deferred during the year	518,179	454,926	518,179	454,926
Amounts released from previous years	(454,926)	(435,411)	(454,926)	(435,411)
Deferred income at 31 March 2023	518,179	454,926	518,179	454,926

SHEFFCARE LIMITED

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

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	2,502,535	2,889,837	2,502,535	2,889,837

Included within the above are amounts falling due as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<i>Less than one year</i>				
Bank loans	112,515	216,282	112,515	216,282
<i>Between one and two years</i>				
Bank loans	122,584	218,023	122,584	218,023
<i>Between two and five years</i>				
Bank loans	2,379,951	2,671,814	2,379,951	2,671,814
Total	2,615,050	3,106,119	2,615,050	3,106,119

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

15. Share capital

Group & Charity

	2023 £	2022 £
<i>Authorised, allotted, called up and fully paid</i>		
100- Ordinary shares of £1 each	100	100

SHEFFCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
16. Statement of funds**Statement of funds - current year****Re-stated**

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

SHEFFCARE LIMITED

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

16. Statement of funds (continued)

Statement of funds – Prior Year – Re-stated

	Balance at 1 April 2021 £	Prior Year Adjustment £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds							
Capital contingency	100,000	-	-	-	-	-	100,000
	100,000	-	-	-	-	-	100,000
General funds							
General unrestricted funds	8,203,182	159,876	10,904,228	(11,023,896)	-	-	8,243,390
General trading subsidiary	-	-	-	(8)	-	-	(8)
Share capital	100	-	-	-	-	-	100
Pension reserve	(5,135,000)	-	-	(101,000)	-	1,850,000	(3,386,000)
	3,068,282	159,876	10,904,228	(11,124,904)	-	1,850,000	4,857,482
Total Unrestricted funds	3,168,282	159,876	10,904,228	(11,124,904)	-	1,850,000	4,957,482
Comfort funds	120,378	-	14,240	(19,092)	-	-	115,526
Grant Income -Infection Prevention Control	421,013	-	315,473	(436,738)	-	-	299,748
Grant Income - Lateral Flow Device	-	-	255,095	(255,095)	-	-	-
Grant Income - Workforce Capacity	-	-	104,480	(104,480)	-	-	-
Grant Income – Workforce Recruitment and Retention	-	-	513,437	(513,437)	-	-	-
Grant Income – Vaccine Grant	-	-	9,024	(9,024)	-	-	-
Grant Income – NLW Grant	-	-	167,528	(167,528)	-	-	-
Grant Income – Sheffield Town Trust	-	-	2,000	(2,000)	-	-	-
Grant Income – SCC Local Area Committees	-	-	250	(250)	-	-	-
Grant Income – Kickstart scheme	-	-	38,535	(38,535)	-	-	-
	541,391	-	1,420,062	(1,546,179)	-	-	415,274
Total of funds	3,709,673	159,876	12,324,290	(12,671,083)	-	1,850,000	5,372,756

SHEFFCARE LIMITED

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

16. Statement of funds (continued)

Designated funds

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

Restricted funds

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

Grant income received from SCC Local Area Communities was to hold a community event for our residents at Sheffcare.

Grant income received as part of the Kickstart Scheme, was to create new jobs for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment.

Grant income received from South Yorkshire Fire & Rescue was to contribute 50% towards the cost of installing fire sprinkler system at Knowle Hill & Valley Wood.

Grant income received from Healthwatch Sheffield in relation to the Speak Up Grants Scheme to fund a series of events with our residents and their families to talk about their experiences and views on lockdowns.

SHEFFCARE LIMITED

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

16. Statement of funds (continued)

Summary of funds - current year

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

Summary of funds - prior year – Re-stated

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Re-stated Balance at 31 March 2022 £
Designated funds	100,000	-	-	-	-	100,000
General funds	3,068,282	10,904,228	(10,965,028)	-	1,850,000	4,857,482
	3,168,282	10,904,228	(10,965,028)	-	1,850,000	4,957,482
Restricted funds	541,391	1,420,062	(1,546,179)	-	-	415,274
	3,709,673	12,324,290	(12,511,207)	-	1,850,000	5,372,756

SHEFFCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
17. Analysis of net assets between funds**Analysis of net assets between funds - current year**

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

Analysis of net assets between funds - prior year – Re-stated

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	9,918,301	299,748	10,218,049
Current assets	3,433,280	115,526	3,548,806
Creditors due within one year	(2,118,262)	-	(2,118,262)
Creditors due in more than one year	(2,889,837)	-	(2,889,837)
Defined benefit scheme surplus/(deficit)	(3,386,000)	-	(3,386,000)
	4,957,482	415,274	5,372,756

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

	2023 £	2022 £
Net (expenditure)/ income for the year (as per Statement of Financial Activities)	(747,742)	(346,793)
Adjustment for:		
Depreciation charges	840,674	830,205
Pension scheme adjustment	80,000	101,000
Interest from investments	(18,346)	(2,495)
Loss on the sale of fixed assets	8,835	459,301
(Increase)/decrease in debtors	277,551	(663,846)
Increase/(decrease) in creditors	325,525	(10,915)
	766,497	366,457

SHEFFCARE LIMITED

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

19. Analysis of cash and cash equivalents

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Cash in hand	2,159,499	2,103,952	2,159,419	2,032,324
Total	2,159,499	2,103,952	2,159,419	2,032,324

20. Analysis of changes in net debt

	At 1 April 2022	Cash Flows	At 31 March 2023
	£	£	£
Cash in hand	2,103,952	55,547	2,159,499
Bank loan (due in 1 year)	(216,282)	103,767	(112,515)
Bank loan (due in over 1 year)	(2,889,837)	387,302	(2,502,535)
Total	(1,002,167)	546,616	(455,551)

SHEFFCARE LIMITED

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

21. Pension commitments

The company operates a defined contribution pension scheme with NEST. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £158,367 (2022: £149,541).

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

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

	2023	2022
Discount rate at 31 March	4.75%	2.70%
Future salary increases	3.60%	4.30%
Future pension increases	3.00%	3.30%

FRS102 requires the present value of pension liabilities to be calculated by discounting pension commitments, including salary growth, based on corporate bond yields. The FRS102 value of liabilities at March 2023 was £18,288,000 (2022: £24,750,000) and the market value of assets was £20,518,000 (2022: £21,364,000) giving a scheme surplus of £2,230,000 (2022: deficit £3,386,000).

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

	Fair value at 31 March	Fair value at 31 March
	2023	2022
	£	£
Equities	13,952,240	14,100,240
Government Bonds	4,719,140	5,127,360
Property	1,641,440	1,922,760
Cash	205,180	213,640
Total market value of assets	20,518,000	21,364,000

The actual return on scheme assets was a loss of £215,000 (2022 Gain: £1,908,000).

SHEFFCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
*FOR THE YEAR ENDED 31 MARCH 2023***21. Pension commitments (continued)**

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

	2023	2022
	£	£
Current service cost	(79,000)	(83,000)
Interest on obligation	(659,000)	(523,000)
Expected return on scheme assets	568,000	415,000
Administration expenses	-	-
	<hr/>	<hr/>
Total	(170,000)	(191,000)

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

	2023	2022
	£	£
Opening defined benefit obligation	24,750,000	25,209,000
Current service cost	79,000	83,000
Interest cost	659,000	523,000
Contributions by scheme participants	14,000	15,000
Actuarial (gains)/losses	(6,457,000)	(379,000)
Benefits paid	(757,000)	(701,000)
	<hr/>	<hr/>
Closing defined benefit obligation	18,288,000	24,750,000

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

	2023	2022
	£	£
Opening fair value of scheme assets	21,364,000	20,074,000
Expected return on assets	568,000	415,000
Actuarial gains and (losses)	(761,000)	1,471,000
Contributions by employer	90,000	90,000
Contributions by scheme participants	14,000	15,000
Administration expenses	-	-
Benefits paid	(757,000)	(701,000)
	<hr/>	<hr/>
	20,518,000	21,364,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was a gain of £5,696,000 (2022: Gain £1,850,000).

The company expects to contribute £0 to its defined benefit pension scheme in 2023-24.

SHEFFCARE LIMITED

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

21. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2023 £	2022 £
Defined benefit obligation	(18,288,000)	(24,750,000)
Scheme assets	20,518,000	21,364,000
	<hr/>	<hr/>
Surplus/(deficit)	2,230,000	(3,386,000)
	<hr/>	<hr/>
Experience adjustments on scheme liabilities – Surplus/(deficit)	6,457,000	379,000
Experience adjustments on scheme assets – Surplus/(deficit)	(761,000)	1,471,000
	<hr/>	<hr/>

22. Operating lease commitments

At 31 March 2023 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts payable:		
Within 1 year	75,174	69,192
Between 2 to 5 years	45,942	90,446
	<hr/>	<hr/>
Total	121,116	159,638
	<hr/>	<hr/>

Lease payments of £69,114 have been recognised as an expense in the statement of financial activities.

23. Related party transactions

The charitable company owns 100% of its subsidiary Sheffcare Services Limited. Recoverable VAT from the subsidiary amounting to £167 has been recharged to the parent company during the year and this amount remained outstanding at the year end (2022: £71,635).

24. Prior year adjustment

In prior periods, a review and write off of tangible fixed assets led to a misstatement. As a result, cost was understated by £23,502, accumulated depreciation was overstated by £136,374 and unrestricted funds were understated by £159,876.

This has been amended via a prior period adjustment and as such unrestricted funds brought forward have increased by £159,876.

SHEFFCARE LIMITED

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

Prior year adjustment (continued)

The impact on both fixed assets valuations and the value of unrestricted funds brought forward from 31 March 2022 is:

Cost of fixed assets adjustment	£23,502
Accumulated depreciation adjustment	£136,374
Fixed asset value adjustment	<u>£159,876</u>
Opening balance of unrestricted funds – 31 March 2022 - as previously stated	£4,797,606
Fixed asset value adjustment	£159,876
Closing balance of unrestricted funds – 31 March 2022 - restated	<u>£4,957,482</u>

The prior year adjustment was authorised by the trustees and covers freehold and leasehold property.