

HETTON HOME CARE SERVICES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

HETTON HOME CARE SERVICES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

| | | |
|-----------------|------------|----------------------------|
| Chairman | J Thompson | (Stood down 26 May 2021) |
| | K Young | (Elected from 26 May 2021) |

| | | |
|----------------------|-----------|-------------------------|
| Vice Chairman | E Barrass | (Resigned 1 Aug 2020) |
| | J Caterer | (Appointed 26 May 2021) |

| | |
|------------------|--------------|
| Treasurer | M Barnfather |
|------------------|--------------|

| | |
|------------------|---------|
| Secretary | K Young |
|------------------|---------|

| | | |
|------------------|-------------|-------------------------|
| Committee | G Davidson | |
| | E Davidson | |
| | E Sanderson | (Resigned 1 June 2020) |
| | A Oliver | (Resigned 1 Aug 2020) |
| | J Hall | |
| | RD Tate | |
| | D Storey | (Resigned 1 Sept 2021) |
| | J Blackburn | |
| | N Naylor | (Appointed 1 July 2021) |

| | | |
|-------------------|------------|---------------------|
| Ex-officio | J Caterer | (until 26 May 2021) |
| | A Edington | (from 1 Sept 2020) |

| | |
|-----------------------|---------|
| Charity number | 1072294 |
|-----------------------|---------|

| | |
|--------------------------|--|
| Principal address | Hetton Centre Welfard Road Hetton le Hole Tyne and Wear England DH5 9NE |
|--------------------------|--|

| | |
|----------------|--|
| Auditor | Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle Upon Tyne Tyne and Wear England NE2 1TJ |
|----------------|--|

| | |
|----------------|--|
| Bankers | Barclays Bank Plc Leicester Leicestershire LE87 2BB |
|----------------|--|

HETTON HOME CARE SERVICES

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 7 |
| Independent auditor's report | 8 - 10 |
| Statement of financial activities | 11 |
| Balance sheet | 12 |
| Statement of cash flows | 13 |
| Notes to the financial statements | 14 - 22 |

HETTON HOME CARE SERVICES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

The trustees present their report and financial statements for the year ended 31 May 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Deed of Trust, 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Aims and Objectives as stated in the constitution of the charity are:-

"The relief of the elderly or infirm persons in Hetton le Hole, Houghton-le-Spring and the surrounding area by appropriate means including the provision of a care service in the home."

The charity has achieved its aims and objectives in the Hetton le Hole area by providing personal care and domestic support to clients with varying levels of needs, allowing them to remain living safely in their own home.

The charity also provides training and employment to over 100 people living in the local area with flexible working patterns.

Quality policy

The organisation believes that having the highest quality care is the absolute right of all our service users. The continuing aim of the organisation is to provide a professional and efficient service to meet all of the requirements of its service users. The long term goal of the organisation is to obtain the highest possible level of satisfaction from service users and relatives.

All service users of Hetton Home Care Services should:-

A) expect the highest quality care possible

B) be given a say in the running of the organisation through routine evaluations of each care episode. A larger survey of service user opinion is carried out on an annual basis; the survey will be confidential but the results will be published and available upon request

C) be free to complain about any aspect of the running of the organisation and to have their complaints welcomed and acted upon promptly - all complaints will be responded to in writing within 7 working days.

To ensure the service is providing a quality service which is relevant to the needs and wishes of the service users, an annual questionnaire is sent to every service user. Service users' opinions on all aspects of care provided such as attendance, punctuality, manner, confidentiality, respect and admin. The results of the annual survey are collated and published in the charity's annual report.

Public benefit

At Trustees' Meetings when planning the activity of the charity we keep in mind the Charity Commissions guidance on public benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

HETTON HOME CARE SERVICES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

Achievements and performance

Hetton Home Care Services has worked under contract to City of Sunderland Council since 1994 providing personal care to individuals in their own homes. Alongside this contract Hetton Home Care Services has also provided personal care, domestic support, companionship, overnight care and sleepovers to individuals who are self funding.

Contract Levels June 2020 - May 2021

| | 2020-2021 | 2019-2020 |
|---|-----------|-----------|
| Average hours of care provided per week | 1700 | 2200 |
| Contract values | | |
| City of Sunderland | £962,536 | £892,195 |
| Durham City | £60,684 | £57,021 |
| Self-funding | £443,720 | £534,493 |
| This equates to | | |
| City of Sunderland | 65% | 60% |
| Durham City | 4% | 4% |
| Self-funding | 31% | 36% |

The care was provided to an average of over 200 service users each week and varied from domestic support with housecare, shopping and laundry to personal care and palliative/end of life care.

HETTON HOME CARE SERVICES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

Financial review

Financial position

In the report for 2020 our chairman stated that while the Trustees were pleased, and considered that the charity provided a high quality service that Hetton Home Care Services had made a loss over that year. A cause of this being identified in the reduction in the number of hours of care provided mainly due to a reduction of services in relation to the Covid-19 pandemic and the additional costs which it brought with it.

Virtually all the income Hetton Home Care Services receives comes from the payment of provision of care to clients. It is either paid for directly by the client or the council in whose area they reside. With regard to clients paid for by the councils the remuneration we receive is set by the council, not us. As a charity we have always held that we should not charge private clients any more than we receive in payment for our council clients.

The income we receive not only has to pay the wages of the staff who provide the care but also has to finance all other costs to provide the care. This includes the following; supervisory staff and manager to run the charity and ensure CQC standards are met and maintained; office costs; PPE; computer and telephony support; training and human resources, legal and accountancy compliance. The costs for the above are very much fixed and varies very little with regard to the number of client hours we have, but as has been identified the number of these hours greatly affects the amount of funds we have available to meet these costs.

We always knew this year would be a hard one, with the ongoing Covid-19 pandemic bringing increased costs the minimum wage was also increased by 2.2% from £8.72 to £8.91. HHCS must ensure they pay over the national living wage to include travel time between visits. HHCS wages were increased by 3% in April.

As a care provider we have to register with the Care Quality Commission (CQC), who do important work in ensuring the standards with regard care provision are met. In 2019 the CQC raised the fees we have to pay from £2,192 to £12,506, a 470% increase. Then in 2020 they raised the fee again to £13,652, a further 8.3% raise on the 2019 fee, due to a reduction in client numbers receiving regulated services the fee paid in 2021 was slightly decreased to £10,557.

So while the year has seen unavoidable increases in our running costs we have seen a decrease in the available funds to pay from them. This is a direct result in the drop in the weekly average number of hours of care we provide, from 2,200 in 2020 to 1,700 this year, a reduction while we were hoping to increase the number of hours worked back towards the 2018 figure of 2,603. However, it is to be noted that during the pandemic Sunderland City Council increased the payment amount by 10% and also reverted to paying planned times rather than actuals as well as numerous restricted grants being made available to us by central government.

The unrestricted loss we have made this year will be well covered by the reserves we have prudently put away. It does concern us that we have made an unrestricted loss two year's running and this is not a situation we like to find ourselves in. Long term though our reserves should see us well through this difficult time. Our priorities have to be the following:

1. We need to retain and if possible increase our number of care staff, to do so requires us to remain being seen as a good and caring employer.
2. We need to review all our expenditure to see if it is necessary or if there is a cheaper way of achieving the same goal, but without disaffecting the staff.
3. We must also plan for when the virus has receded so that we can recommence our recruitment campaign as soon as is viable.
4. We must seek to ensure that care provision is correctly funded, by working through and with our professional bodies and associations.
5. If we are unable to rectify the situation through the above
6. We may need to revisit how our clients are charged, whether they be council or private, to assess if we can provide a service on what is being paid.

HETTON HOME CARE SERVICES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

Reserves policy

It is the policy of the charity to maintain Unrestricted Funds, which are the free reserves of the charity. This provides sufficient funds to cover management, administration and support costs for a period of four to six months

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk management

1. To continue providing care in the community the charity must comply with the Essential Standards of Quality and Safety for Domiciliary Care as regulated by the Care Quality Commission. The service has been regularly inspected by the Commission for Social Care Inspection and subsequently the Care Quality Commission. The trustees are happy that the latest inspection result was Good on all points, however recognise the importance of maintaining this level.

2. A change in Government policy may see a change in the way local councils purchase domiciliary care, however as both Conservative and Labour Governments have promoted service procurement from the independent and voluntary sector. The Trustees are aware of this ongoing situation and have policies in place to deal with this including increasing the proportion of the charity's income from personalised budgets and privately funded clients.

3. The recruitment and retention of staff affects the continuity we can provide our clients as well as restricting their numbers. Unfortunately, due to the nature of services provided and the way they are funded, we have to use zero hour contracts for care staff the same as other similar organisations. The Trustees' are unhappy with this situation and are aware of the effect it has on the staff, if a workable alternative can be found it would be used. In the meantime, we aim to provide the best working conditions for our staff to ensure retention, while at the same time we are exploring all possible avenues to recruit suitable new staff.

4. The world wide advent of Coronavirus (Covid 19) has affected all aspects of life. Resulting in a major change in the way businesses and charities operate. While treatments and vaccines are now being deployed effectively, the virus together with the restrictions on everyday life required to counter it, will continue to influence the working of HHCS for at least all of the next year and possible well beyond that. We have already seen various changes to our working practises to ensure a Covid secure environment for our staff and clients. This has included the ability of the Management Committee to meet requiring the use of more remote methods of communication and control. As already mentioned our staffing level is a major concern for the charity and Coronavirus has added to the problems of this. In the short to near term all we can do to reduce the risks from Coronavirus is to be as flexible and responsive as possible to legal or medical requirements. With regard to the combatting of it, we have had a very positive take up of vaccinations in the current staff. This will be assisted by the foresight of previous management committees to ensure that the Charity has maintained a good financial reserve, for which there will be a need to call on. Once the coronavirus outbreak has been defeated or at least brought under control, then a review of how HHCS coped throughout the crisis should be held and the conclusions of the review should be used to put policies and procedures in place re any future pandemic.

HETTON HOME CARE SERVICES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

Plans for future periods

It is the intention of the management of Hetton Home Care Services to continue to build on the reputation the agency has for providing a reliable, caring and efficient service and to achieve the excellent standard it has previously been rated as. The manager is committed to continuing with training opportunities for her and all staff, to maintain and further improve the quality of care given to service users. All at Hetton Home Care Services were happy that we continued to be graded as Good on all counts in the CQC inspection report in January 2020.

Hetton Home Care Services continues to work under contract to Sunderland City Council which it has done successfully since its inception in 1994. In January 2020 Sunderland City Council awarded HHCS a contract as preferred provider for the Coalfields locality 1.

In addition to the referrals from the City of Sunderland contract, Hetton Home Care Services sources new business from individuals who have been recommended to use us by existing service users and other professionals. We also monitor Durham Council spot contract opportunities and, where feasible, provide a service to them. The website continues to attract new customers, particularly from families looking for support for elderly relatives. Hetton Home Care Services have renewed their website which has improved the rating on Google and other search engines.

The provision of care is continually changing and developing, increasingly so, as more people opt for a direct payment to manage their own care budget. Assessment criteria changes have also resulted in less people qualifying for financial support from the local authority and being self-funding.

As individuals take responsibility to manage their own care needs, changes in approach will need to be made to provide a more varied and less restrictive service. The manager continues to work with a focus group of providers and Sunderland City Council to discuss how the service can become more outcomes based as opposed to time measured. Personalisation will benefit the individuals by providing care services to meet their particular needs. One supervisor is responsible for all aspects of care planning in an area. This results in supervisors having a better knowledge of their client and staff needs and likes and dislikes.

In order to continue to attract new service users to Hetton Home Care Services we will strive to maintain the high quality of trained and competent staff whose hard work earns us our reputation of a quality service.

To ensure that there is sufficient staff to meet the demand for our services and increase our revenue so we can cover the costs of the charity. New ways in which to attract potential staff have been explored including holding recruitment fairs at Job Centres, shopping centres and also introducing a new referral scheme which has so far been successful. While at the same time connections are being made with education providers to recruit staff while they are training in the care environment.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Hetton Home Care Services was established on 6th June 1994 as an unincorporated association and as a registered charity in November 1998, Number 1072294. The charity was established by a group of volunteers in response to The Community Care Act 1990. Volunteer representatives from other organisations in the area formed a Management Committee and appointed staff to manage the service.

The trustees who served during the year and up to the date of signature of the financial statements can be found on Legal and Administrative Information page of these financial statements.

HETTON HOME CARE SERVICES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

The current constitution (adopted August 1998) of the charity requires the following membership: -

- a) Minimum of three and maximum of eight members from similar organisations in the area of benefit.
- b) Minimum of three and maximum of four residents in the area of benefit.
- c) One employee elected by the employees (ex-officio).
- d) The manager of the service (ex-officio).
- e) Co-opted persons having special knowledge, experience or interest in the charity.

Membership is open to all individuals who are interested in actively furthering the aims and objectives of the charity within the area of benefit, and whose written application for membership has met with the approval of the committee by a simple majority. Organisations may put forward a representative for membership and if accepted by the committee may vote on its behalf at all meetings, but before such a member exercises the right to vote, the organisation shall give particulars in writing to the secretary of the committee of such representative.

All new Trustees are required to read and sign the charity's Code of Conduct. Trustees will also be expected to familiarise themselves with Charity Commissioners leaflet CC3 Responsibilities of Charity Trustees and the constitution of the charity. On appointment all trustees will be subject to a D.B.S check at the enhanced level.

Organisational structure

The management structure of the charity is: -

Voluntary Management Committee
Responsible for all activities of HHCS

Registered Manager Mrs Jan Caterer, Mrs Amie Edington (Sept 2020)
Responsible for all activities and day to day running of HHCS

Supervisors
Marjorie Brough (deputy manager), Linda Cardy, Lynn
Cummings, Lisa Furnevel, Hannah Bainbridge, Angela Bond.

Responsible for allocation of staff to client's care plans, health & safety and standards of care delivered by HSA's

Admin & Accounts Officer

Gordon Smith

Wages Clerk Co-ordinator

Melanie Robertson

Admin/Training

Debra Ward

Home Support Assistants

Responsible for the delivery of care as per agreed plans

The Management Committee meet bi-monthly to receive reports from the Registered Manager on the financial position and activities of the charity. The Registered Manager is responsible for day-to-day management of the service and ensuring compliance with the Care Standards for Domiciliary Care regulated by the Care Quality Commission. Major decisions regarding rates of pay for staff, health & safety compliance and future plans for the service are made by the Management Committee. The management committee are voluntary and receive no remittance for their support of the charity.

HETTON HOME CARE SERVICES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Mrs J Caterer

Trustee

Dated: 4 November 2021

HETTON HOME CARE SERVICES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HETTON HOME CARE SERVICES

Opinion

We have audited the financial statements of Hetton Home Care Services (the 'charity') for the year ended 31 May 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 charity's affairs as at 31 May 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HETTON HOME CARE SERVICES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HETTON HOME CARE SERVICES

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend 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 as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant.

The laws and regulations which are considered to be significant to the entity relate to health and safety. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinized for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

HETTON HOME CARE SERVICES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HETTON HOME CARE SERVICES

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Michael T Moran (FCA) (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

4 November 2021

Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

HETTON HOME CARE SERVICES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2021

| | Notes | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds 2020 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | 3 | 100 | 142,206 | 142,306 | 1,001 |
| Charitable activities | 4 | 1,468,856 | - | 1,468,856 | 1,483,709 |
| Investments | 5 | 7,838 | - | 7,838 | 7,377 |
| Other income | 6 | 16,039 | - | 16,039 | 14,671 |
| Total income | | 1,492,833 | 142,206 | 1,635,039 | 1,506,758 |
| <u>Expenditure on:</u> | | | | | |
| Charitable activities | 7 | 1,515,919 | 84,632 | 1,600,551 | 1,561,220 |
| Net (expenditure)/income for the year/ Net movement in funds | | (23,086) | 57,574 | 34,488 | (54,462) |
| Fund balances at 1 June 2020 | | 653,100 | - | 653,100 | 707,562 |
| Fund balances at 31 May 2021 | | 630,014 | 57,574 | 687,588 | 653,100 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

HETTON HOME CARE SERVICES

BALANCE SHEET

AS AT 31 MAY 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 32,535 | | 11,857 |
| Current assets | | | | | |
| Debtors | 12 | 154,671 | | 122,376 | |
| Cash at bank and in hand | | 602,933 | | 616,058 | |
| | | <u>757,604</u> | | <u>738,434</u> | |
| Creditors: amounts falling due within one year | 13 | (102,551) | | (97,191) | |
| Net current assets | | | 655,053 | | 641,243 |
| Total assets less current liabilities | | | <u>687,588</u> | | <u>653,100</u> |
| Income funds | | | | | |
| Restricted funds | 14 | | 57,574 | | - |
| Unrestricted funds - general | | | 630,014 | | 653,100 |
| | | | <u>687,588</u> | | <u>653,100</u> |

The financial statements were approved by the Trustees on 4 November 2021

Mrs M Barnfather
Trustee

Mrs J Caterer
Trustee

HETTON HOME CARE SERVICES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|----------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 19 | | 13,681 | | (54,241) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (34,644) | | (1,625) | |
| Investment income received | | 7,838 | | 7,377 | |
| Net cash (used in)/generated from investing activities | | | (26,806) | | 5,752 |
| Net cash used in financing activities | | | - | | - |
| Net decrease in cash and cash equivalents | | | (13,125) | | (48,489) |
| Cash and cash equivalents at beginning of year | | | 616,058 | | 664,547 |
| Cash and cash equivalents at end of year | | | 602,933 | | 616,058 |

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

Charity information

Hetton Home Care Services is a charity registered in England and Wales. The principal office is Hetton Centre, Welfare Road, Hetton le Hole, Tyne and Wear, DH5 9NE.

1.1 Accounting convention

The financial statements have been prepared in accordance 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Charitable funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

Investment income is included when receivable.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

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

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------|----------------------|
| Leasehold improvements | 5% straight line |
| Fixtures and fittings | 15% reducing balance |
| Computers | 50% reducing balance |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

| | Unrestricted funds general 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds general 2020 £ |
|--------------------------|---|----------------------------------|--------------------|---|
| Donations and gifts | 100 | - | 100 | 1,001 |
| Infection Control grants | - | 142,206 | 142,206 | - |
| | <u>100</u> | <u>142,206</u> | <u>142,306</u> | <u>1,001</u> |

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

4 Charitable activities

| | Home care provision 2021 £ | Home care provision 2020 £ |
|--------------|-------------------------------------|-------------------------------------|
| Other income | 1,468,856 | 1,483,709 |

5 Investments

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|---------------------|---|---|
| Interest receivable | 7,838 | 7,377 |

6 Other income

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|----------------------|---|---|
| Funding for training | - | 8,280 |
| JRS grant | 16,039 | 6,391 |
| | 16,039 | 14,671 |

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

7 Charitable activities

| | Home care provision 2021 £ | Home care provision 2020 £ |
|--|-------------------------------------|-------------------------------------|
| Staff costs | 1,416,449 | 1,422,427 |
| Other motor and travel | 1,519 | 27 |
| Insurance | 6,606 | 6,507 |
| DBS checks | 355 | 466 |
| Telephone | 28,218 | 24,914 |
| Donations and lunch club | - | 220 |
| Advertising | 8,428 | 1,356 |
| AGM and meeting expenses | - | 344 |
| Training | 10,785 | 3,400 |
| Subscriptions | 20,117 | 11,317 |
| Disposables and consumables | 20,783 | 10,952 |
| Client gifts | 3,627 | 3,044 |
| Bad debts | 533 | 160 |
| Uniforms | 8,082 | 2,739 |
| | <u>1,525,502</u> | <u>1,487,873</u> |
| Share of support costs (see note 8) | 66,138 | 62,992 |
| Share of governance costs (see note 8) | 8,911 | 10,355 |
| | <u>1,600,551</u> | <u>1,561,220</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 1,515,919 | 1,561,220 |
| Restricted funds | 84,632 | - |
| | <u>1,600,551</u> | <u>1,561,220</u> |

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

8 Support costs

| | Support costs £ | Governance costs £ | 2021 £ | Support costs £ | Governance costs £ | 2020 £ |
|--|--------------------|-----------------------|---------------|--------------------|-----------------------|---------------|
| Depreciation | 13,966 | - | 13,966 | 5,123 | - | 5,123 |
| Other establishment costs | 15,782 | - | 15,782 | 12,003 | - | 12,003 |
| Other office costs | 7,614 | - | 7,614 | 11,097 | - | 11,097 |
| Water cooler | 498 | - | 498 | 600 | - | 600 |
| Sundries | 1,529 | - | 1,529 | 393 | - | 393 |
| Bank charges | 8,230 | - | 8,230 | 7,996 | - | 7,996 |
| Repairs and maintenance | 18,519 | - | 18,519 | 25,780 | - | 25,780 |
| Audit fees | - | 2,505 | 2,505 | - | 2,400 | 2,400 |
| Accountancy | - | 2,505 | 2,505 | - | 2,400 | 2,400 |
| Legal and professional | - | 3,901 | 3,901 | - | 5,555 | 5,555 |
| | <u>66,138</u> | <u>8,911</u> | <u>75,049</u> | <u>62,992</u> | <u>10,355</u> | <u>73,347</u> |
| Analysed between Charitable activities | <u>66,138</u> | <u>8,911</u> | <u>75,049</u> | <u>62,992</u> | <u>10,355</u> | <u>73,347</u> |

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or preceeding year.

10 Employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|-------------------------|-------------------|-------------------|
| | <u>112</u> | <u>113</u> |
| Employment costs | 2021 £ | 2020 £ |
| Wages and salaries | 1,319,046 | 1,327,128 |
| Social security costs | 67,905 | 65,734 |
| Other pension costs | 29,498 | 29,565 |
| | <u>1,416,449</u> | <u>1,422,427</u> |

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

10 Employees

(Continued)

No employee received emoluments in excess of £60,000 during the current or preceding year.

Key management personnel received remuneration of £40,935 (2020 : £41,806) in the year.

11 Tangible fixed assets

| | Leasehold improvements £ | Fixtures and fittings £ | Computers £ | Total £ |
|------------------------------------|--------------------------------|-------------------------------|----------------|------------|
| Cost | | | | |
| At 1 June 2020 | 50,000 | 42,651 | 51,582 | 144,233 |
| Additions | - | 20,939 | 13,705 | 34,644 |
| At 31 May 2021 | 50,000 | 63,590 | 65,287 | 178,877 |
| Depreciation and impairment | | | | |
| At 1 June 2020 | 42,917 | 40,035 | 49,424 | 132,376 |
| Depreciation charged in the year | 2,500 | 3,533 | 7,933 | 13,966 |
| At 31 May 2021 | 45,417 | 43,568 | 57,357 | 146,342 |
| Carrying amount | | | | |
| At 31 May 2021 | 4,583 | 20,022 | 7,930 | 32,535 |
| At 31 May 2020 | 7,083 | 2,616 | 2,158 | 11,857 |

12 Debtors

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 122,135 | 98,200 |
| Prepayments and accrued income | 32,536 | 24,176 |
| | 154,671 | 122,376 |

13 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|-----------|
| Other taxation and social security | 12,211 | - |
| Trade creditors | 16,645 | 1,785 |
| Other creditors | 17,092 | 16,807 |
| Accruals and deferred income | 56,603 | 78,599 |
| | 102,551 | 97,191 |

Included within other creditors is £12,127 (2020 : £11,617) in relation to staff savings contributions.

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Movement in funds | | Movement in funds | | |
|------------------------|--------------------|------------------------|--------------------|--------------------|------------------------|
| | Incoming resources | Balance at 1 June 2020 | Incoming resources | Resources expended | Balance at 31 May 2021 |
| | £ | £ | £ | £ | £ |
| Infection Control Fund | - | - | 142,206 | (84,632) | 57,574 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Restricted funds relate to Infection Control Funding awarded by the Government during the COVID 19 pandemic to assist the care industry to deliver care throughout.

15 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds |
|--|--------------------|-------------------|-------------------|--------------------|
| | 2021 | 2021 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Fund balances at 31 May 2021 are represented by: | | | | |
| Tangible assets | 8,527 | 24,008 | 32,535 | 11,857 |
| Current assets/(liabilities) | 607,814 | 47,239 | 655,053 | 641,243 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 616,341 | 71,247 | 687,588 | 653,100 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

16 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2021 | 2020 |
|----------------------------|-------------------|-------------------|
| | £ | £ |
| Within one year | 1,600 | 17,332 |
| Between two and five years | 1,333 | 2,933 |
| | <u> </u> | <u> </u> |
| | 2,933 | 20,265 |
| | <u> </u> | <u> </u> |

17 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

18 Employee Benefit Obligations

The amount recognised in income and expenditure as an expense in related to defined contribution plans was £29,498 (2020 : £29,565)

HETTON HOME CARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

| 19 | Cash generated from operations | 2021 £ | 2020 £ |
|----|---|---------------|-----------------|
| | Surplus/(deficit) for the year | 34,488 | (54,462) |
| | Adjustments for: | | |
| | Investment income recognised in statement of financial activities | (7,838) | (7,377) |
| | Depreciation and impairment of tangible fixed assets | 13,966 | 5,123 |
| | Movements in working capital: | | |
| | (Increase)/decrease in debtors | (32,295) | 24,646 |
| | Increase/(decrease) in creditors | 5,360 | (22,171) |
| | Cash generated from/(absorbed by) operations | <u>13,681</u> | <u>(54,241)</u> |
| 20 | Analysis of changes in net funds | | |
| | The charity had no debt during the year. | | |