THE SANDWELL COMMUNITY CARING TRUST

England & Wales · Charity number 1086162

Details

Status	Registered
Legal form	Charitable company
Company number	03286106
Registered	2001-04-17
Register	View on the Charity Commission register

Contact

Address	Sandwell Community Caring Trust Trigate Offices First Floor Hagley Road West Oldbury B68 0NP
Phone	01215532722
Email	enquiries@sandwellcct.org.uk
Website	www.sandwellcct.org.uk

Activities

Objects: THE TRUST OBJECTS ARE THE RELIEF OF INDIVIDUALS , PARTICULARLY THOSE RESIDENT IN OR ASSOCIATED WITH THE METROPOLITAN BOROUGH COUNCIL OF SANDWELL OR ANY OF ITS NEIGHBOURING COUNCILS, WHO BY REASON OF OLD AGE , OR PHYSICAL OR MENTAL ILLNESS, OR PHYSICAL OR MENTAL HANDICAP, REQUIRE SPECIAL CARE AND ATTENTION(" THE BENEFICIARIES")

Activities: We offer a range of activities in our daycentres such as bingo, day trips, quizs, cooking, sensory room and many more. Activities are based around our service users needs and requests.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities

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Geography

- **Area of benefit:** MB OF SANDWELL
- Sandwell
- Torbay

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,605,271	£16,522,164	£8,430,738	521
2024-03-31	£16,194,306	£15,745,861	£8,736,631	488
2023-03-31	£14,237,968	£15,126,410	£8,570,188	461
2022-03-31	£13,994,809	£14,069,334	£7,634,630	443
2021-03-31	£14,615,971	£14,700,224	£4,752,155	473

Trustees

Name	Role	Appointed
Mim Hall	Chair	2023-03-26
Andrew Coley		2024-12-16
Geoffrey Walker		2020-12-01
Helen Howard		2026-04-21
Kristina Jones		2023-10-12

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THE SANDWELL COMMUNITY CARING TRUST

England & Wales - Charity number 1086162

Accounts

Sandwell Community Caring Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 March 2025

Charity number : 1086162

Company Number : 03286106

Feltons
CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

Feltons
Chartered Accountants
Birmingham
B1 3JR

Sandwell Community Caring Trust

(A Company Limited by Guarantee)

Report and financial statements
Year ended 31 March 2025

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Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Trustees	Mrs S A Rogers Mr G Walker Mrs M Hall Mr A S Coley Ms K L Jones	
Company secretary	Mrs T D Graham	
Key management personnel	Andrew Coley	Chief Executive
Registered office		Trigate Building Hagley Road West Oldbury England B68 0NP
Charity number		1086162
Company registration number		03286106
Auditor		Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers		Barclays Bank plc 47 High Street Dudley West Midlands DY1 1PP
Solicitors		Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Report of the trustees
Year ended 31 March 2025

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

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Trustees of the charity

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Objectives and activities

The charity's objectives are to promote the relief of and provide relief, support and assistance to individuals who, by reason of old age, mental illness or physical or learning disabilities, require special care and attention.

To promote, in particular, the relief of and support and assistance to beneficiaries who are resident in or associated to Sandwell MBC, Walsall MBC, Dudley MBC and Torbay Care Trust or any of its neighbouring councils.

There has been no change in these during the year.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB)'.

Whilst the adverse consequences of the Covid-19 pandemic have gradually subsided, Covid-19 continues to pose challenges to the adult social care sector. Despite this, the trust has managed to meet the objectives highlighted above. Throughout the year, the trust has successfully kept its residents, tenants and employees safe.

The principal activity of the trust is to provide health and social care services to older people and adults with learning and or physical disabilities. The trust currently provides residential care for over 100 older people, 86 of whom are suffering with dementia, 150 days of day care each week for adults with profound learning and or physical disabilities and care and support to over 280 adults with learning disabilities in supported living. As reported in the previous years' financial statements, the pandemic had a detrimental impact upon occupancy, particularly within residential care, which contributed to a deterioration in financial performance. However, on a positive note, the recovery in occupancy levels within the residential homes in the latter part of that financial year continued in the following years, including the financial year ended 31 March 2025.

One of the continuing major objectives during the financial year has been to fully understand the implications of continuing austerity on Local Authority income and the impact that this would have on the fees paid for the delivery of Adult Social Care. In addition, the charity will need to continue to clarify the implications of the continued rise in the National Minimum Living Wage, particularly in the context of ongoing austerity.

There is no restriction on who can access the services provided by Sandwell Community Caring Trust. All the care packages which are provided are based on the clinical and social needs of each individual.

Objectives and activities (continued)

Admission to Sandwell Community Caring Trust's services normally takes place after a multi-disciplinary needs assessment, which involves the prospective service user and their family.

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

The services provided by Sandwell Community Caring Trust are compliant with the Commission for Racial Equalities Code of Practice.

Due to the nature of the services that it provides, the charity does not rely on the use of volunteers.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

The trust has continued to maintain and fulfil its contractual obligations and achieved its targets, securing ongoing provision for the care of vulnerable people.

The staff turnover for this year was 18% (2024 - 17%) which was an increase of 1 percentage point compared to last year.

Staff turnover not only has a financial impact on the Trust but also impacts on the quality of care that is provided to its service users. These levels have remained constant over the years which contribute to a consistent happy work force that provide a high quality of care to the vulnerable people that deserve to receive continuity from the service they need.

Despite the difficulties experienced during the pandemic, the trust successfully maintained the standard of care provision without recourse to the use of staffing agencies and continues to do so.

The quality of the care that the trust provides is measured and regulated by the Care Quality Commission and is reflected in their inspection reports on the trust's services.

Financial review (including reserves policy)

The company's Balance Sheet as detailed on page 14 shows that the funds before the 2025 defined benefit pension scheme liability amounted to £8,430,738 (2024 - £8,736,631). The closing position including the pension scheme liability as at 31 March 2025 was £8,430,738 (2024 - £8,736,631).

The Statement of Financial Activities on page 13 of these financial statements shows surplus income of £83,107 (2024 - £448,443) for this financial year.

The Balance Sheet on page 14 of these financial statements shows net current assets of £530,614 (2024 - £1,701,804).

Financial review (including reserves policy) (continued)

The Trustees are reassured that the Charity continues to meet its loan obligations and working capital requirements, when due, from its cash at bank balances.

Having considered the above, in conjunction with projections for the year ending 31 March 2026, 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, as confirmed in note 1.2 on page 16, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

It is the policy of the charity that unrestricted funds before the defined pension scheme liability, which have not been designated for a specific use, should be maintained at a level equivalent to 10% of incoming resources from charitable activities. The Trustees considers that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Having developed a clear understanding of the implications of austerity on local authority contracts and the impact of the continued rise in the National Minimum Living Wage, as reported in previous years, the charity introduced changes in the terms and conditions of its employees that reflect the new financial environment within which it operates. These changes were implemented in October 2018 and the Charity continues to assess the impact of these changes and review its financial position, in the context of its operating environment, on a regular basis.

As with previous financial years, the increase in weekly fees and hourly rates received for care provided.

Investment powers and policy

The charity currently has no long-term investments but takes advantage of short-term cash flow situations by placing funds with institutions approved by the Board.

Risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to these major risks.

The Trustee Board is responsible for overseeing the charity's risk management activities. Detailed consideration of risk is delegated to the Senior Management Team, who are continually reviewing this matter and reporting thereon to the Trustee Board. Through the risk management process established for the charity, the Trustees are satisfied that the major risks have been identified and processes for addressing them have been implemented. It is recognised that any control systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

In previous years the defined benefit pension scheme deficit has had a significant impact on the net assets of the trust and is based on the valuation provided by the scheme's actuaries in accordance with Generally Accepted Accounting Practice. The key risk to the trust surrounding such a pension deficit is the funding of future contributions for both Schemes in place. This is mitigated by the fact that both schemes no longer admit new members agreement with Sandwell MBC that any employer contributions above the agreed 17.9% relating to the EMI Scheme will be paid by the council although the current employer contributions are 11.5% for this particular scheme. Furthermore, when an employer applies for admitted body status, the WMPF requires a guarantor or a Bond to cover any costs in the event of insolvency. The WMPF has procedures in place to mitigate the risks of rogue employers.

Risk management (continued)

It should be noted that as at 31 March 2025, there was deemed to be a defined benefit pension surplus of £10.35m (2024 - £8.42m). However, under FRS 102, a pension scheme surplus is only recognised as an asset in the Balance Sheet to the extent that the employer can recover a surplus through reduced contributions or refunds. Therefore, in accordance with these requirements, the defined benefit pension liability is shown as £nil on the Balance Sheet. See further details at note 24.

The Trustee Board is aware of the combined risks posed by austerity on local authority contracts and the increase in the National Minimum Living Wage (NMLW). These risks have been compounded by the announcement of an increase in the Employer NIC (ENIC) rate and the lowering of the ENIC threshold in the Chancellor's October 2024 budget from 1st April 2025. It has been calculated that, in common with most care providers within the adult social care sector, the combined impact of the increase in the NMLW and ENICs will be a 10% increase in employment costs for the 2025-26 financial year. As local commissioner fees received have not increased by a commensurate percentage, this represents a significant risk for the sector as a whole. The Trustee Board has formulated clear plans designed to address these risks and ensure the continued sustainability of the charity.

The Trustees previously reported on the outcome of a CQC inspection of its supported living services in July 2021.

Plans for future periods

The trust is always looking towards the future, seeking out new prospects and contracts to enable them to continue to deliver services to those most needy.

The trust is able to take advantage of any opportunities for expansion particularly through the transfer of providers from local authorities, as austerity and budget deductions fully impact on local authority expenditure on adult social care.

Structure, governance and management

Governing document

The charity is a charitable company limited by guarantee and was set up on 1 April 1997. It is governed by a Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year

- Mrs S A Rogers
- Mr G Walker
- Mrs M Hall
- Mr A S Coley
- Ms K Jones

Appointment of trustees

The Board of Trustees may fill vacancies arising during the year by appointing Trustees themselves, but any Trustees so appointed shall retain their office only until the next Annual General Meeting when they shall be eligible for re-election.

Appointment of trustees (continued)

Any appointments made are with due regard to the broad range of relevant skills required by the Board of Trustees and the specialist skills and experience offered by the applicant Trustee.

None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisation

The governing body of the charity is the Board of Trustees which comprises 4 members and has met 4 times a year together with the Senior Management Team.

The Chief Executive has been appointed by the Trustees to manage the day-to-day operations.

Trustee induction and training

Individual Trustee training is undertaken by Trustees on a need basis but training for the full Board of Trustees and Senior Management Team takes place at least annually and focuses on governance issues.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a client or supplier must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions in the current year are described in notes 10 and 25 to the accounts.

Pay policy for senior staff

The Trustees are responsible for determining the pay and conditions of key management personnel. This is done in consultation with an external human resources company who provide advice on comparative positions across the sector.

The Chief Executive Officer is responsible for recommending any changes in pay and conditions of the remainder of the paid service.

Employee involvement

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

Applications for employment made by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditors

A resolution proposing that Feltons be reappointed as auditors of the company will be put to the members.

Disclosure of information to auditor

We, the directors of the company who held office at the date of approval of these financial statements, as set out above, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and

- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' report, including the Strategic Report, was approved by the Board of Trustees.

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Statement of trustees' responsibilities
Year ended 31 March 2025

The trustees (who are also directors of Sandwell Community Caring Trust 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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.

.....
Mrs M Hall
Chair

Dated: ...11./.11./.2025.....

Independent Auditor's Report to the Trustees of Sandwell Community Caring Trust (A Company Limited by Guarantee)

Opinion

We have audited the financial statements of Sandwell Community Caring Trust (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report, 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 8), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilites. This description forms part of our auditor's report.

Use of our report

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

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Date : 25/11/2025

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Statement of Financial Activities for the year ended 31 March 2025

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total 2025 £	Total 2024 £
Income						
Donations and legacies	4	15,318	-	-	15,318	30,326
Income from charitable activities:	5					
Residential and day care services		16,580,258	-	-	16,580,258	16,154,478
Investment income	6	9,695	-	-	9,695	9,500
Total income		16,605,271	-	-	16,605,271	16,194,304
Expenditure						
Charitable activities:						
Operational and support costs	7	16,280,576	(389,000)	-	15,891,576	15,510,703
Other costs:						
Financing costs	12	205,588	-	-	205,588	235,158
Exceptional costs	26	425,000	-	-	425,000	-
Total expenditure		16,911,164	(389,000)	-	16,522,164	15,745,861
Net income/(expenditure) before transfers		(305,893)	389,000	-	83,107	448,443
Gross transfers between funds		373,393	-	(373,393)	-	-
Net income/(expenditure) after transfers		67,500	389,000	(373,393)	83,107	448,443
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(389,000)	-	(389,000)	(282,000)
Net movement in funds		67,500	-	(373,393)	(305,893)	166,443
Reconciliation of funds						
Total funds brought forward	19	8,363,238	-	373,393	8,736,631	8,570,188
Total funds carried forward		8,430,738	-	-	8,430,738	8,736,631

All income and expenditure derives from continuing activities.

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

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Company Number : 03286106 / Charity number : 1086162
Balance Sheet as at 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	13		10,205,156		9,520,085
Current assets					
Debtors	14	1,068,807		1,962,929	
Cash at bank and in hand		1,181,815		1,497,826	
		2,250,622		3,460,755	
Creditors: amounts falling due within one year	15	1,720,008		1,758,951	
Net current assets/(liabilities)			530,614		1,701,804
Total assets less current liabilities			10,735,770		11,221,889
Creditors: amounts falling due after more than one year	16		(2,305,032)		(2,485,258)
Net assets excluding pension liability			8,430,738		8,736,631
Defined benefit pension liability			-		-
Net assets			8,430,738		8,736,631
Funds of the charity:					
Restricted funds					
General fund	19		-		373,393
Unrestricted funds					
General fund	19	8,430,738		8,363,238	
Pension fund	19	-		-	
			8,430,738		8,363,238
Total funds			8,430,738		8,736,631

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 16 to 34 form part of these accounts.

The financial statements were approved by the board of trustees on .....11/11/2025..... and were signed on its behalf by:

..... Mrs M Hall
Chair

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Statement of cash flows
for the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flow from operating activities	22	598,792	694,706
Net cash flow from operating activities		598,792	694,706
Cash flow from investing activities			
Payments to acquire tangible fixed assets	13	(699,221)	-
Interest received	6	9,695	9,500
Net cash flow from investing activities		(689,526)	9,500
Cash flow from financing activities			
Repayment of bank loans	17	(225,277)	(520,237)
Net cash flow from financing activities		(225,277)	(520,237)
Net increase / (decrease) in cash and cash equivalents		(316,011)	183,969
Cash and cash equivalents at 1 April 2024		1,497,826	1,313,857
Cash and cash equivalents at 31 March 2025		1,181,815	1,497,826

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies

General information

Sandwell Community Caring Trust is a charitable company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. 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 to provide health and social care services to older people and adults with learning and or physical disabilities.

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The charity is conscious of continuing cost pressures across the sector and will therefore continue to restrict costs as far as possible, whilst seeking new income sources that are consistent with its charitable objectives. The charity will also continue to lobby local authorities regarding a sustainable level of care fees.

1.3 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

Notes to the financial statements for the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- **Residential and day care services**
  Residential and day care service income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes 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.

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

- **Interest receivable**
  Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank.

- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is categorised under the following headings:

- **Charitable activities**
  These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.

- **Governance costs**
  These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including strategic management and trustees' meetings and reimbursed expenses.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1. Accounting policies (continued)

1.6 Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a systematic basis over its expected useful life as follows:

Freehold and leasehold property	- not depreciated
Leasehold improvement	- 20% on a straight line basis
Motor vehicles	- 20% on a straight line basis
Fixtures and fittings	- 20% on a straight line basis

Land and buildings and long leasehold properties are not subject to depreciation as their residual values are considered to be equal to their cost. This is on the basis that significant ongoing repairs and maintenance are undertaken to preserve their condition and value.

At each reporting 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 any impairment loss.

1.8 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.

1.9 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 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.

1. Accounting policies (continued)

1.9 Financial instruments (continued)

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.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest rate method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the charity's contractual obligations expire, are discharged or cancelled.

1.10 Operating leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

1.11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Notes to the financial statements for the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

1.12 Pension benefits

During the year, the charity operated two LGPS defined benefit pension schemes and a defined contribution pension scheme.

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

Neither of the defined benefit schemes admit new members. New members of staff are admitted into the defined contribution scheme on their employment with the charity.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gain and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate on high quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.13 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 employee benefits provided in exchange for the termination of an employee's involvement in the charity. Redundancy costs are recognised immediately once the charity is demonstrably committed to terminate employment.

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.

Critical judgements

Recoverability of trade debtors
A provision for doubtful debtors from operations is set up when the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts being fully recovered.

Key sources of estimation uncertainty

Defined benefit pension scheme
The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the Balance Sheet. The assumptions reflect historical experience and current trends. See note 24 for the disclosures relating to the defined benefit scheme.

Notes to the financial statements for the year ended 31 March 2025 (continued)

3. Prior year Statement of Financial Activities (year end 31 March 2024)

	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total 2024 £
Income				
Donations and legacies	30,326	-	-	30,326
Income from charitable activities	16,154,478	-	-	16,154,478
Investment income	9,500	-	-	9,500
Total income	16,194,304	-	-	16,194,304
Expenditure				
Charitable activities	15,792,703	(282,000)	-	15,510,703
Other	235,158	-	-	235,158
Total expenditure	16,027,861	(282,000)	-	15,745,861
Net income/(expenditure) before transfers	166,443	282,000	-	448,443
Actuarial gain on defined benefit pension schemes	-	(282,000)	-	(282,000)
Net movement in funds	166,443	-	-	166,443
Reconciliation of funds				
Total funds brought forward	8,196,795	-	373,393	8,570,188
Total funds carried forward	8,363,238	-	373,393	8,736,631

4. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Donations and gifts	15,318	-	15,318	19,187
Grants	-	-	-	11,139
	15,318	-	15,318	30,326

5. Income from charitable activities

	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total 2025 £	Total 2024 £
Residential and day care services	16,580,258	-	-	16,580,258	16,154,478
	16,580,258	-	-	16,580,258	16,154,478

Notes to the financial statements for the year ended 31 March 2025 (continued)

6. Investment income

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Deposit account interest	9,695	-	9,695	9,500
	9,695	-	9,695	9,500

7. Expenditure on charitable activities

	Residential and day care services £	Total 2025 £	Total 2024 £
Operational and support costs			
Staff costs	11,428,723	11,428,723	10,633,340
Heat and light	227,284	227,284	174,581
Rent, rates and insurance	1,220,512	1,220,512	1,003,611
Telecommunications	246	246	7,044
Other staff costs	69,898	69,898	21,646
Motor and travel	52,657	52,657	60,450
Repairs, renewals and equipment hire	365,892	365,892	539,707
Cleaning, waste and pest control	144,829	144,829	142,648
Other office costs and sessionals	29,818	29,818	84,880
Printing, postage and stationery	11,523	11,523	6,187
Provisions	326,858	326,858	364,159
Depreciation	14,150	14,150	-
Support costs (see note 8)	1,945,517	1,945,517	2,428,292
Governance costs (see note 8)	53,669	53,669	44,158
	15,891,576	15,891,576	15,510,703

Total expenditure on charitable activities was £15,891,576 (2024 - £15,510,703) of which £15,891,576 (2024 - £15,510,703) was unrestricted and £nil (2024 - £nil) was restricted.

8. Analysis of support and governance costs

	Basis of allocation	General support	Governance function	Total 2025	Total 2024
		£	£	£	£
Staff costs	Staff time	986,178	-	986,178	1,111,220
Heat and light	Usage	-	-	-	10,694
Rent, rates and insurance	Usage	320,580	-	320,580	366,929
Telecommunications	Usage	55,536	-	55,536	38,208
Other staff costs	Usage	63,645	-	63,645	182,337
Motor and travel	Usage	56,872	-	56,872	33,357
Repairs, renewals and equipment hire	Usage	72,490	-	72,490	157,720
Cleaning, waste and pest control	Usage	14,032	-	14,032	81,134
Other office costs and sessionals	Usage	348,712	-	348,712	417,235
Printing, postage and stationery	Usage	24,787	-	24,787	24,011
Provisions	Usage	2,685	-	2,685	5,447
Audit and accountancy services	Governance	-	21,300	21,300	40,110
Legal and other professional	Governance	-	32,369	32,369	4,048
		1,945,517	53,669	1,999,186	2,472,450

9. Net income/(expenditure) for the year

Net income / (expenditure) is stated after charging / (crediting):	Total 2025	Total 2024
	£	£
Operating lease rentals		
Office equipment	32,092	106,222
Premises	1,264,219	1,066,246
Bank interest payable	205,588	235,158
Auditors remuneration	15,000	15,000

The auditors remuneration amounts to an audit fee of £13,500 (2024 - £13,500) and other services of £1,500 (2024 - £1,500).

10. Trustees and key management personnel remuneration and expenses

During the year, no trustees received any remuneration or other benefits for their role as trustees (2024 - none). A Coley received remuneration in the year of £99,940 (2024 - £98,000) paid to him for his role as Chief Executive Officer.

No trustee was reimbursed expenses during the year (2024 - £nil).

The charity considers its key management personnel to comprise of the Chief Executive Officer. The total amount of employee benefits received by key management personnel was £99,940 (2024 - £98,000).

11. Analysis of staff costs and numbers

a) Staff costs :

	Total 2025 £	Total 2024 £
Wages and salaries	11,433,565	10,727,813
Social security costs	991,767	891,151
Other pension costs	(10,431)	111,828
	12,414,901	11,730,792
Severance payments	-	13,768
	12,414,901	11,744,560

Included in other pension costs above is a net credit of £389,000 (2024 - £282,000), which has been recognised in respect of the 2025 Pension Expense Calculation prepared by the Actuary for the Local Government Pension Scheme. This credit comprises a shortfall in service cost contributions of £17,000 (2024 - £31,000), interest costs of £406,000 (2024 - £313,000), and no administration costs in either year.

b) Staff numbers :

The average monthly number of employees during the year were as follows:

	2025 Number	2024 Number
Care	509	475
Finance and administration	12	13
	521	488

c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 were:

	2025 Number	2024 Number
£90,001 - £100,000	1	1

12. Other costs

	Total 2025 £	Total 2024 £
Finance costs	205,588	235,158

13. Tangible fixed assets

	Freehold and leasehold property £	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 April 2024	9,520,085	-	-	-	9,520,085
Additions	550,000	11,644	11,195	126,382	699,221
Disposals	-	-	-	-	-
At 31 March 2025	10,070,085	11,644	11,195	126,382	10,219,306
Depreciation					
At 1 April 2024	-	-	-	-	-
Charge for the year	-	1,013	282	12,855	14,150
Released by disposals	-	-	-	-	-
At 31 March 2025	-	1,013	282	12,855	14,150
Net book values					
At 31 March 2025	10,070,085	10,631	10,913	113,527	10,205,156
At 31 March 2024	9,520,085	-	-	-	9,520,085

Freehold land and buildings with a carrying amount of £7,467,081 (2024 - £7,467,081) have been pledged to secure the Unity Trust loan. Certain properties are also subject to legal charges in favour of Barclays Bank plc as security for the charity's overdraft facility. Further details are provided in note 17.

Depreciation on freehold and leasehold property is not provided as the trustees feel that significant replacement and maintenance works are carried out on an annual basis to the extent that the residual value is considered to be equal to the cost.

14. Debtors

	Total 2025 £	Total 2024 £
Debtors from operations	902,236	1,654,169
Prepayments and accrued income	149,069	260,837
Other debtors	17,502	47,923
	1,068,807	1,962,929

15. Creditors - amounts falling due within one year

	Total 2025 £	Total 2024 £
Creditors from operations	141,460	305,875
Taxation and social security	185,358	199,307
Accruals and deferred income	1,171,635	975,110
Bank loans	175,521	220,572
Other creditors	46,034	58,087
	1,720,008	1,758,951
Deferred income		
Deferred income brought forward	127,866	186,223
Resources deferred in the year	363,728	127,866
Amounts released from previous years	(127,866)	(186,223)
Deferred income carried forward	363,728	127,866

At the balance sheet date, the charity was holding funds received in advance for a residential and day care fees.

16. Creditors - amounts falling due after more than one year

	Total 2025 £	Total 2024 £
Bank loans	2,305,032	2,485,258

17. Loans and overdrafts

	Total 2025 £	Total 2024 £
Bank loans	2,480,553	2,705,830
Payable within one year	175,521	220,572
Payable after more than one year	2,305,032	2,485,258
	2,480,553	2,705,830

The loans are secured by fixed charges over the specific properties to which they relate.

One loan facility is held with Unity Trust Bank and was originally due to mature within one year of the reporting date. However, negotiations to refinance the facility are ongoing, and the lender has indicated that it is not presently their intention to withdraw this funding. The average interest rate on this facility during the year was approximately 7.96%, with total interest charged of £193,437, presented within finance costs (see note 12). There are no financial covenants attached to this facility. Details of associated security are disclosed in note 13.

17. Loans and overdrafts (continued)

The second loan is a Coronavirus Business Interruption Loan Scheme (CBILS) facility, which carries a fixed interest rate of 7.5% and is due to mature in November 2025. Interest charged during the year amounted to £12,151 and is also included within finance costs (see note 12). There are no financial covenants associated with this loan.

The charity has an overdraft facility of £500,000 with Barclays Bank plc. This facility is secured by a debenture, a limited guarantee of £400,000 provided by the Department for Energy Security and Net Zero dated 26 November 2020, and legal charges over certain properties held by the charity. At the year end, no amount was drawn down on this facility.

18. Commitments under operating leases

At 31 March 2025, the charity was committed to making the following payments under non-cancellable operating leases :

	Total 2025 £	Total 2024 £
Within one year	1,335,954	1,332,217
Within two to five years inclusive	4,755,553	4,788,621
In over five years	17,074,942	18,102,072
	23,166,449	24,222,910

19. Analysis of funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Gains losses and transfers £	Balance at 31 March 2025 £
Restricted funds					
Alsop House	373,393	-	-	(373,393)	-
Pension	-	-	389,000	(389,000)	-
	373,393	-	389,000	(762,393)	-
Unrestricted funds					
General fund	8,363,238	16,605,271	(16,911,164)	373,393	8,430,738
	8,363,238	16,605,271	(16,911,164)	373,393	8,430,738
Total funds	8,736,631	16,605,271	(16,522,164)	(389,000)	8,430,738

Notes to the financial statements for the year ended 31 March 2025 (continued)

19. Analysis of funds (continued)

Name of fund	Description, nature and purpose of fund
Restricted general fund	Money given to the charity where the donor requires that a grant or donation be spent for a specific project. Funds relating to Alsop House were originally received from the National Lottery Community Fund, with a condition that 92% of the asset value would be repayable to the Fund in the event of disposal prior to 1 February 2025. As this date has now passed and the property has not been disposed of, there is no longer any repayment obligation and these funds have been transferred to the unrestricted fund.
Unrestricted general fund	The free reserves of the charity which are not designated for particular purposes.

20. Analysis of net assets between funds

Fund balances at 31 March 2025 are represented by:	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total funds £
Tangible fixed assets	10,205,156	-	-	10,205,156
Current assets	2,250,622	-	-	2,250,622
Current liabilities	(1,720,008)	-	-	(1,720,008)
Long term liabilities	(2,305,032)	-	-	(2,305,032)
Total net assets	8,430,738	-	-	8,430,738

Comparative information in respect of the preceding period is as follows:	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total funds £
Tangible fixed assets	9,146,692	-	373,393	9,520,085
Current assets	3,460,755	-	-	3,460,755
Current liabilities	(1,758,951)	-	-	(1,758,951)
Long term liabilities	(2,485,258)	-	-	(2,485,258)
Total net assets	8,363,238	-	373,393	8,736,631

Notes to the financial statements for the year ended 31 March 2025 (continued)

21. Financial commitments, guarantees and contingent liabilities

In the 2017-18 financial year, the charity entered into a lease with Real Estate Investors plc and Sandwell Valley School to act as the guarantor of the rent should the tenant (being Sandwell Valley School) fail to pay. The lease runs from 29 September 2016 to 28 September 2041 with a rental charge of £120,000 plus VAT per annum.

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total 2025 £	Total 2024 £
Net income/(expenditure) for the year	83,107	448,443
Depreciation	14,150	-
Interest receivable	(9,695)	(9,500)
Defined benefit pension scheme cost less contributions payable (note 24)	25,000	39,000
Defined benefit pension scheme finance cost/(income) (note 24)	(406,000)	(313,000)
Defined benefit pension scheme unfunded benefits paid	(8,000)	(8,000)
(Increase) / decrease in debtors	894,122	100,805
Increase / (decrease) in creditors	6,108	436,958
Net cash flow from operating activities	598,792	694,706

23. Analysis of changes in net (debt)/funds

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,497,826	(316,011)	1,181,815
Loans falling due within one year	(220,572)	45,051	(175,521)
Loans falling due after more than one year	(2,485,258)	180,226	(2,305,032)
	(1,208,004)	(90,734)	(1,298,738)

24. Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £253,374 (2024 - £257,936).

24. Retirement benefit schemes (continued)

Defined benefit schemes

The charity operates a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019.

The fair value of the pension assets at 31 March 2025 are in excess of the present value of the defined benefit obligation at that date. This gives rise to a surplus of £10,349,000 (2024 - £8,423,000).

The surplus is recognised in the financial statements only to the extent that the charity can recover that surplus, either through a reduction in future contributions or through a refund to the charity.

The charity is not able to determine that future contributions will be reduced nor will it receive a refund in the foreseeable future. Therefore the surplus of £10,349,000 (2024 - £8,423,000) is not recognised as an asset at 31 March 2025. An adjustment has been made through the Statement of Financial Activities to reflect this.

Principal actuarial assumptions	**At 31 March 2025**	**At 31 March 2024**
Discount rate for scheme liabilities	5.80%	3.78%
Rate of increase for pensions in payment / inflation	2.78%	2.78%
Rate of increase in salaries	3.78%	4.83%

Mortality assumptions

The assumed life expectations on retirement age 65 are:	**At 31 March 2025**	**At 31 March 2024**
Retiring today		
Males	20.3	20.3
Females	22.7	22.7
Retiring in 20 years		
Males	19.4	19.5
Females	24.4	24.4

Amounts recognised in the statement of financial activities	**Total 2025 £**	**Total 2024 £**
Current service cost	145,000	179,000
Interest income	(1,226,000)	(1,121,000)
Interest cost	820,000	808,000

24. Retirement benefit schemes (continued)

Amounts taken to other comprehensive income	**Total 2025 £**	**Total 2024 £**
Actual return on scheme assets	-	-
Interest income	1,226,000	1,121,000
Return on scheme assets	1,226,000	1,121,000
Actuarial changes related to scheme assets	(389,000)	(282,000)

The actual return on scheme assets was 0.40% (2024 - 9.70%)

The amounts included on the balance sheet arising from the charity's obligations in respect of defined benefit schemes are as follows:

	Total 2025 £	**Total 2024 £**
Present value of defined benefit obligations	25,298,000	25,690,000
Fair value of plan assets	(25,298,000)	(25,690,000)
Deficit in scheme	-	-

Changes in the present value of defined benefit obligations were as follows :	**2024/25 £**	**2023/24 £**
At 1 April 2024	25,690,000	23,793,000
Current service cost	145,000	179,000
Benefits paid	(653,000)	(590,000)
Unfunded benefits paid	(8,000)	(8,000)
Employee contributions	50,000	54,000
Actuarial gains/(losses)	(2,672,000)	(367,000)
Interest cost	820,000	808,000
Adjustment for unrecognised surplus in scheme	1,926,000	1,821,000
At 31 March 2025	25,298,000	25,690,000

The defined benefit obligations arise from plans funded as follows :

	2024/25 £	**2023/24 £**
Wholly unfunded obligations	81,000	89,000
Wholly or partly funded obligations	14,868,000	17,178,000
Adjustment for unrecognised surplus in scheme	10,349,000	8,423,000
	25,298,000	25,690,000

24. Retirement benefit schemes (continued)

Changes in the fair value of Trust's share of scheme assets were as follows :

	2024/25	2023/24
	£	£
At 1 April 2024	25,690,000	23,793,000
Interest income	1,226,000	1,121,000
Return on assets less interest	(1,135,000)	1,172,000
Benefits paid net of transfers in	(653,000)	(590,000)
Employer contributions	120,000	140,000
Employee contributions	50,000	54,000
At 31 March 2025	25,298,000	25,690,000

The trust's share of the assets in the scheme was :

	31 March 2025	31 March 2024
	£	£
Equities	12,396,020	15,670,900
Bonds	9,360,260	7,193,200
Property	1,770,860	1,541,400
Cash and other liquid assets	1,770,860	1,284,500
Total market value of assets	25,298,000	25,690,000

The latest asset split that has been provided allows for index returns, where required, on each asset category to determine the split of assets.

25. Related party transactions

The following related party transactions took place during the period :

Sandwell Valley School Limited
Trustees M Hall, A Coley and G Walker are company directors within Sandwell Valley School Limited. During the year, the charity incurred costs of £1,057 (2024 - £2,584) on behalf of Sandwell Valley School Limited. These costs were recharged in full and offset against the original expenditure. As such, they are not included within the Statement of Financial Activities. There was no amount outstanding at the year end (2024 - debtor balance of £246). All transactions were carried out in the normal course of business and on an arm's length basis.

Lymphcare UK CIC
During the year, the charity provided services to Lymphcare UK CIC, a company in which Kristina Jones, a member of the Board of Trustees, holds a position on the board. Income of £3,122 was received in the year (2024 - £3,870), and is recorded within income from charitable activities in the Statement of Financial Activities. At the year end, a balance of £125 was due from Lymphcare UK CIC (2024 - £4,245), and is included within debtors (see note 14). All transactions were carried out in the normal course of business and on an arm's length basis.

26. Exceptional costs

Property commission payment
During the year, the charity made a one-off payment of £425,000 in settlement of an historic commission claim relating to a property transaction originally completed in March 2021. The transaction enabled the charity to secure its continued occupation of the properties and resulted in a net gain of £521,000 to the charity at the time. Following legal advice, the trustees approved a negotiated settlement of £425,000, which was formalised by a signed settlement agreement.

THE SANDWELL COMMUNITY CARING TRUST

England & Wales - Charity number 1086162

Accounts

Sandwell Community Caring Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 March 2024

Charity number : 1086162

Company Number : 03286106

Feltons
CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

Feltons
Chartered Accountants
Birmingham
B1 3JR

THURSDAY
ADIAPYAB
A23 19/12/2024 #11
COMPANIES HOUSE

Sandwell Community Caring Trust

(A Company Limited by Guarantee)

Report and financial statements
Year ended 31 March 2024

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Cash flow statement	15
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Statement of accounting policies	16
Other notes to the financial statements	22
The following page does not form part of the statutory financial statements:	
Detailed income and expenditure account	34

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Trustees	Mrs S A Rogers	
	Mr G Walker	
	Mrs M Hall	
	Mr A S Coley	
	Mrs K L Jones	appointed 13 November 2023
	F A Betteridge	resigned 1 April 2023
Company secretary	Mrs T D Graham	
Key management personnel	Andrew Coley	Chief Executive
Registered office		Trigate Building Hagley Road West Oldbury England B68 0NP
Charity number		1086162
Company registration number		03286106
Auditor		Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers		Barclays Bank plc 47 High Street Dudley West Midlands DY1 1PP
Solicitors		Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Report of the trustees
Year ended 31 March 2024

The trustees present their report and the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019 .

Trustees of the charity

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Objectives and activities

The Trust's objectives are to promote the relief of and provide relief, support and assistance to individuals who, by reason of old age, mental illness or physical or learning disabilities, require special care and attention.

To promote, in particular, the relief of and support and assistance to beneficiaries who are resident in or associated to Sandwell MBC, Walsall MBC, Dudley MBC and Torbay Care Trust or any of its neighbouring councils.

There has been no change in these during the year.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Whilst the adverse consequences of the covid-19 pandemic have gradually subsided, covid-19 continues to pose challenges to the adult social care sector. Despite this, the Trust has managed to meet the objectives highlighted above. Throughout the year the Trust has successfully kept its residents, tenants and employees safe.

The principal activity of the Trust is to provide health and social care services to older people and adults with learning and/or physical disabilities. The Trust currently provides residential care for over 110 older people, 88 of whom are suffering with dementia, 150 days of day care each week for adults with profound learning and or physical disabilities and care and support to over 280 adults with learning disabilities in supported living. As reported in the previous years' financial statements, the pandemic had a detrimental impact upon occupancy, particularly within residential care, which contributed to a deterioration in financial performance. However, on a positive note, the recovery in occupancy levels within residential in the latter part of that financial year continued in the financial year ended 31 March 2024.

One of the continuing major objectives during the financial year has been to fully understand the implications of austerity on Local Authority income and the impact that this would have on the fees paid for the delivery of Adult Social Care. In addition, the Charity will need to continue to clarify the implications of the continued rise in the National Minimum Living Wage, particularly in the context of on-going austerity.

Objectives and activities (continued)

There is no restriction on who can access the services provided by Sandwell Community Caring Trust. All the care packages which are provided are based on the clinical and social needs of each individual.

Admission to Sandwell Community Caring Trust's services normally takes place after a multi-disciplinary needs assessment, which involves the prospective service user and their family.

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

The services provided by Sandwell Community Caring Trust are compliant with the Commission for Racial Equalities Code of Practice.

Due to the nature of the services that it provides, the charity does not rely on the use of volunteers.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

The Trust has continued to maintain and fulfil its contractual obligations and achieved its targets securing ongoing provision for the care of vulnerable people.

Two of the Trust's main key performance indicators are the level of employee sickness and staff turnover. Employee sickness levels are monitored through the year.

The staff turnover for this year was 17% (2023:19%) which was a decrease of 2 percentage points compared to last year.

Staff turnover not only has a financial impact on the Trust but also impact on the quality of care that is provided to its service users. These levels have remained constant over the years which contribute to a consistent happy work force that provide a high quality of care to the vulnerable people that deserve to receive continuity from the service they need.

Despite the difficulties experienced during the pandemic, the Trust successfully maintained the standard of care provision without recourse to the use of staffing agencies and continues to do so.

The quality of the care that the Trust provides is measured and regulated by the Care Quality Commission and is reflected in their inspection reports on the Trust's services.

Financial review (including reserves policy)

The company's balance sheet as detailed on page 14 shows that the funds before the 2024 defined benefit pension scheme liability amounted to £8,736,631 (2023: £8,570,188). The closing position including the pension scheme liability as at 31 March 2024 was £8,736,631 (2023: £8,570,188).

The Statement of Financial Activities on page 13 of these financial statements shows a surplus expenditure of £448,443 (2023: net deficit expenditure £888,442) for this financial year. This considerable improvement in financial performance is attributable to a number of contributory factors, the most significant of which are fee increases as a result of the fair cost of care increases which have generated significant increases in fees paid by local authorities, residential care home occupancy rates being at near-capacity and the implementation of cost control measures.

The Balance Sheet, on page 14 of these financial statements, shows net current assets of £1,701,804 (2023: £1,755,932).

The Trustees are reassured that the Charity continues to meet its loan obligations and working capital requirements, when due, from its cash at bank balances.

Having considered the above, in conjunction with projections for the year ending 31 March 2025, 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, as confirmed in note 1.2 on page 16, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

It is the policy of the Charity that unrestricted funds before the defined pension scheme liability, which have not been designated for a specific use, should be maintained at a level equivalent to 10% of incoming resources from charitable activities. The Trustees consider that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

Having developed a clear understanding of the implications of austerity on local authority contracts and the impact of the continued rise in the National Minimum Living Wage, as reported in previous years, the Charity introduced changes in the terms and conditions of its employees that reflect the new financial environment within which it operates. These changes were implemented in October 2018 and the Charity continues to assess the impact of these changes and review its financial position, in the context of its operating environment, on a regular basis.

Investment powers and policy

The charity currently has no long-term investments but takes advantage of short-term cash flow situations by placing funds with institutions approved by the Board.

Risk management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to these major risks.

The Trustee Board is responsible for overseeing the charity's risk management activities. Detailed consideration of risk is delegated to the Senior Management Team, who are continually reviewing this matter and reporting thereon to the Trustee Board. Through the risk management process established for the charity, the Trustees are satisfied that the major risks have been identified and processes for addressing them have been implemented. It is recognised that any control systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

In previous years the defined benefit pension scheme deficit has had a significant impact on the net assets of the Trust and is based on the valuation provided by the Scheme's actuaries in accordance with Generally Accepted Accounting Practice. The key risk to the Trust surrounding such a pension deficit is the funding of future contributions for both Schemes in place. This is mitigated by the fact that both Schemes no longer admit new members agreement with Sandwell MBC that any employer contributions above the agreed 17.9% relating to the EMI Scheme will be paid by the Council although the current employer contributions are 11.5% for this particular scheme. Furthermore, when an employer applies for admitted body status, the WMPF requires a guarantor or a Bond to cover any costs in the event of insolvency. The WMPF has procedures in place to mitigate the risks of rogue employers.

It should be noted that as at 31 March 2024 there was deemed to be a defined benefit pension surplus of £8.4m (2023: £6.6m). However, under FRS 102 a pension scheme surplus is only recognised as an asset in the balance sheet to the extent that the employer can recover a surplus through reduced contributions or refunds. Therefore, in accordance with these requirements the defined benefit pension liability is shown as nil on the balance sheet. See further details at note 24.

The Trustee Board is aware of the combined risks posed by austerity on local authority contracts and the increase in the National Minimum Living Wage. They have clear plans which will address these risks and ensure the continued sustainability of the Charity.

The Trustees previously reported on the outcome of a CQC inspection of its supported living services in July 2021.

The inspection rated SCCT's supported living services as 'inadequate.' This rating came as a complete surprise and in response a detailed action plan, to address all the concerns noted in the report, was implemented. This action plan was accepted by CQC and all the local authorities which commissioned our supported living services. Following the implementation of the action plan our supported living services were reinspected in February 2022. This follow-up inspection report recognised all the improvements that had been made and noted the very positive comments made by our service users and their families and other professionals working in partnership with SCCT. The overall rating was 'requires improvement'.

The inadequate rating from the report in July 2021, whilst very disappointing, did not represent any risk to the sustainability of SCCT as a business. All the key commissioners of our services remained confident in the services we provided and left all their contracts in place. Our commissioners worked with us to ensure that we addressed the issues highlighted by CQC.

Risk management (continued)

The Senior Strategy Meeting process instigated by SCCT's commissioners, in response to the CQC report published on 14 September 2021, was closed with no further action required.

It was previously reported that SCCT would request a further full inspection of Supported Living Services by the CQC with the previous Chief Executive expecting the service to regain its "Good" rating. This has not occurred yet due to the CQC revising its regulatory approach and, in particular, its criteria for conducting re-inspections. SCCT will continue to explore the possibility of securing a further full inspection of its Supported Living Services.

Plans for future periods

The Trust is always looking towards the future, seeking out new prospects and contracts to enable them to continue to deliver services to those most needy.

The Trust is able to take advantage of any opportunities for expansion particularly through the transfer of providers from local authorities, as austerity and budget deductions fully impact on local authority expenditure on adult social care.

Structure, governance and management

Governing document

The Charity is a charitable company limited by guarantee and was set up on 1 April 1997. It is governed by a Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mrs S A Rogers
Mr G Walker
Mrs M Hall
Mr A Coley
Ms K Jones (appointed 12 October 2023)

Appointment of trustees

The Board of Trustees may fill vacancies arising during the year by appointing Trustees themselves, but any Trustees so appointed shall retain their office only until the next Annual General Meeting when they shall be eligible for re-election.

Any appointments made are with due regard to the broad range of relevant skills required by the Board of Trustees and the specialist skills and experience offered by the applicant Trustee.

None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisation

The governing body of the Charity is the Board of Trustees which comprises 4 members and has met 4 times a year together with the Senior Management Team.

The Chief Executive has been appointed by the Trustees to manage the day-to-day operations.

Trustee induction and training

Individual Trustee training is undertaken by Trustees on a need basis but training for the full Board of Trustees and Senior Management Team takes place at least annually and focuses on governance issues.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a client or supplier must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions in the current year are described in notes 10 and 25 to the accounts.

Pay policy for senior staff

The Trustees are responsible for determining the pay and conditions of key management personnel. This is done in consultation with an external human resources company who provide advice on comparative positions across the sector.

The Chief Executive Officer is responsible for recommending any changes in pay and conditions of the remainder of the paid service.

Employee involvement

The Charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

Applications for employment made by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Charity continues and that the appropriate training is arranged. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditors

A resolution proposing that Feltons be reappointed as auditors of the company will be put to the members.

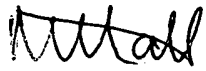
Disclosure of information to auditor

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and

- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' report, including the Strategic Report, was approved by the Board of Trustees.



Mrs M Hall

Dated: 6 December 2024

Independent Auditor's Report to the Trustees of Sandwell Community Caring Trust (A Company Limited by Guarantee)

Opinion

We have audited the financial statements of Sandwell Community Caring Trust (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report, 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 5), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilites. This description forms part of our auditor's report.

Independent Auditor's Report to the Trustees of
Sandwell Community Caring Trust
(A Company Limited by Guarantee)
(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.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Date : 16/12/2024

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 March 2024

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total 2024 £	Total 2023 £
Income						
Donations and legacies	4	30,326	-	-	30,326	35,854
Income from charitable activities:	5					
Residential care home fees		16,154,478	-	-	16,154,478	14,198,034
Investment income	6	9,500	-	-	9,500	4,080
Total income		16,194,304	-	-	16,194,304	14,237,968
Expenditure						
Charitable activities:						
Operational and support costs	7	15,792,703	(282,000)	-	15,510,703	14,502,283
Other costs:						
Amount paid to SMBC		-			-	450,000
Financing costs	12	235,158			235,158	174,127
Total expenditure		16,027,861	(282,000)	-	15,745,861	15,126,410
Net income/(expenditure) before transfers		166,443	282,000	-	448,443	(888,442)
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) after transfers		166,443	282,000	-	448,443	(888,442)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(282,000)	-	(282,000)	1,824,000
Net movement in funds		166,443	-	-	166,443	935,558
Reconciliation of funds						
Total funds brought forward	19	8,196,795	-	373,393	8,570,188	7,634,630
Total funds carried forward		8,363,238	-	373,393	8,736,631	8,570,188

All income and expenditure derive from continuing activities.

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

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Company Number : 03286106 / Charity number : 1086162
Balance sheet as at 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	13		9,520,085		9,520,085
Current assets					
Debtors	14	1,962,929		2,063,734	
Cash at bank and in hand		1,497,826		1,313,857	
		3,460,755		3,377,591	
Creditors: amounts falling due within one year	15	1,758,951		1,621,659	
Net current assets/(liabilities)			1,701,804		1,755,932
Total assets less current liabilities			11,221,889		11,276,017
Creditors: amounts falling due after more than one year	16		(2,485,258)		(2,705,829)
Net assets excluding pension liability			8,736,631		8,570,188
Defined benefit pension liability			-		-
Net assets			8,736,631		8,570,188
Funds of the charity :					
Restricted funds					
General fund	19		373,393		373,393
Unrestricted funds					
General fund	19	8,363,238		8,196,795	
Pension fund	19	-		-	
			8,363,238		8,196,795
Total funds			8,736,631		8,570,188

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 16 to 33 form part of these accounts.

The financial statements were approved by the board of trustees on 6 December 2024 and were signed on its behalf by:

..... Mrs M Hall
(Chair)

Sandwell Community Caring Trust
(A Company Limited by Guarantee)

Statement of cash flows
for the year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flow from operating activities	22	694,706	(1,051,271)
Interest paid			
Net cash flow from operating activities		694,706	(1,051,271)
Cash flow from investing activities			
Interest received		9,500	4,080
Net cash flow from investing activities		9,500	4,080
Cash flow from financing activities			
Repayment of bank loans		(520,237)	(259,543)
Net cash flow from financing activities		(520,237)	(259,543)
Net increase / (decrease) in cash and cash equivalents		183,969	(1,306,734)
Cash and cash equivalents at 1 April 2023		1,313,857	2,620,591
Cash and cash equivalents at 31 March 2024		1,497,826	1,313,857

Notes to the financial statements for the year ended 31 March 2024

1. Accounting policies

General information

Sandwell Community Caring Trust is a charitable company limited by guarantee . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. 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 to provide health and social care services to older people and adults with learning and or physical disabilities.

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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.

1.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The charity is conscious of continuing cost pressures across the sector and will, therefore, continue to restrict costs as far as possible whilst seeking new income sources that are consistent with its charitable objectives. The Trust will also continue to lobby local authorities regarding a sustainable level of care fees.

1.3 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

Notes to the financial statements for the year ended 31 March 2024 (continued)

1. Accounting policies (continued)

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- **Grants receivable**
  Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes 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.

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

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

- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Notes to the financial statements for the year ended 31 March 2024 (continued)

1. Accounting policies (continued)

1.5 Expenditure recognition (continued)

Expenditure is categorised under the following headings:

- **Charitable activities**
  These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.

- **Governance costs**
  These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including strategic management and trustees' meetings and reimbursed expenses.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Land and buildings, and long leasehold are not depreciated.

At each reporting 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 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. 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 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.

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest rate method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Operating leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Notes to the financial statements for the year ended 31 March 2024 (continued)

1. Accounting policies (continued)

1.11 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 Pension benefits

During the year the Trust operated two LGPS defined benefit pension schemes and a defined contribution pension scheme.

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

Neither of the defined benefit schemes admit new members. New members of staff are admitted into the defined contribution scheme on their employment with the Charity.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gain and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate on high quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Termination benefits are employee benefits provided in exchange for the termination of an employee's involvement in the Charity. Redundancy costs are recognised immediately once the Charity is demonstrably committed to terminate employment.

1. Accounting policies (continued)

1.13 Employee benefits

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

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

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.

Critical judgements

Recoverability of trade debtors
A provision for doubtful debtors from operations is set up when the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts being fully recovered.

Key sources of estimation uncertainty

Defined benefit pension scheme
The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including : life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 24 for the disclosures relating to the defined benefit scheme.

3. Prior year Statement of Financial Activities (year end 31 March 2023)

	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total 2023 £
Income				
Donations and legacies	35,854	-	-	35,854
Income from charitable activities	14,198,034	-	-	14,198,034
Investment income	4,080	-	-	4,080
Total income	14,237,968	-	-	14,237,968
Expenditure				
Charitable activities	14,291,283	211,000	-	14,502,283
Amount paid to SMBC in the year	450,000	-	-	450,000
Other	174,127	-	-	174,127
Total expenditure	14,915,410	211,000	-	15,126,410
Net income/(expenditure) before transfers	(677,442)	(211,000)	-	(888,442)
Actuarial gain on defined benefit pension schemes	-	1,824,000	-	1,824,000
Net movement in funds	(677,442)	1,613,000	-	935,558
Reconciliation of funds				
Total funds brought forward	8,874,237	(1,613,000)	373,393	7,634,630
Total funds carried forward	8,196,795	-	373,393	8,570,188

4. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Donations and gifts	19,187	-	19,187	24,000
Covid-19 government support	-	-	-	11,854
Grants	11,139	-	11,139	-
	30,326	-	30,326	35,854

General donations and income for digitalisation project.

5. Income from charitable activities

	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total 2024 £	Total 2023 £
Residential care home fees	16,154,478	-	-	16,154,478	14,198,034
	16,154,478	-	-	16,154,478	14,198,034

6. Investment income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Deposit account interest	9,500	-	9,500	4,080
	9,500	-	9,500	4,080

7. Expenditure on charitable activities

	Activity 1 £	Activity 2 £	Residential and day care services £	Total 2024 £	Total 2023 £
Operational and support costs					
Staff costs	-	-	10,633,340	10,633,340	9,986,122
Heat and light	-	-	174,581	174,581	164,295
Rent, rates and insurance	-	-	1,003,611	1,003,611	1,044,938
Telecommunications	-	-	7,044	7,044	10,231
Other staff costs	-	-	21,646	21,646	44,614
Motor and travel			60,450	60,450	92,828
Repairs, renewals and equipment hire			539,707	539,707	544,673
Cleaning, waste and pest control			142,648	142,648	138,756
Other office costs and sessionals			84,880	84,880	84,127
Printing, postage and stationery			6,187	6,187	5,582
Provisions			364,159	364,159	250,494
Support costs (see note 7)	-	-	2,428,292	2,428,292	2,070,777
Governance costs (see note 7)	-	-	44,158	44,158	64,846
	-	-	15,510,703	15,510,703	14,502,283

Total expenditure on charitable activities was £15,510,703 (2023 - £14,502,283) of which £15,510,703 (2023 - £14,502,283) was unrestricted and £nil (2023 - £nil) was restricted.

8. Analysis of support and governance costs

	Basis of allocation	General support	Governance function	Total 2024	Total 2023
		£	£	£	£
Staff costs	Staff time	1,111,220		1,111,220	1,158,204
Heat and light	Usage	10,694		10,694	8,786
Rent, rates and insurance	Usage	366,929		366,929	325,685
Telecommunications	Usage	38,208		38,208	39,570
Other staff costs	Usage	182,337		182,337	172,990
Motor and travel	Usage	33,357		33,357	45,062
Repairs, renewals and equipment hire	Usage	157,720		157,720	110,700
Cleaning, waste and pest control	Usage	81,134		81,134	1,712
Other office costs and sessionals	Usage	417,235		417,235	177,578
Printing, postage and stationery	Usage	24,011		24,011	29,971
Provisions	Usage	5,447		5,447	519
Audit and accountancy services	Governance	-	40,110	40,110	47,880
Legal and other professional	Governance	-	4,048	4,048	16,966
		2,428,292	44,158	2,472,450	2,135,623

9. Net income/(expenditure) for the year

Net income / (expenditure) is stated after charging / (crediting):	Total 2024	Total 2023
	£	£
Operating lease rentals		
Office equipment	106,222	75,866
Premises	1,066,246	1,111,625
Bank interest payable		-
Auditors remuneration	15,000	47,880

The auditors remuneration amounts to an audit fee of £15,000 (2023 - £32,880) and other services of £nil (2023 - £15,000).

10. Trustees and key management personnel remuneration and expenses

A Coley received remuneration in the year of £98,000 (2023 - G Walker, £124,000) paid to him for his role as Chief Executive and not as a trustee of the charity.

No trustee was reimbursed expenses during the year (2023 - £nil).

The Trust considers its key management personnel comprise of Chief Executive Officer. The total amount of employee benefits received by key management personnel was £98,000 (2023 - £244,105).

11. Analysis of staff costs and numbers

a) Staff costs :

	Total 2024 £	Total 2023 £
Wages and salaries	10,727,813	9,660,751
Social security costs	891,151	845,978
Other pension costs	111,828	620,134
	11,730,792	11,126,863
Severance payments	13,768	17,463
	11,744,560	11,144,326

Included in other pension costs above is an adjustment of £282,000 (2023 - £218,000) relating to the increased pension costs as a result of the 2024 Pension Expense Calculation in respect of pension benefits provided by the Local Government Pension Scheme.

The amounts above relate to the shortfall in contributions as advised by the Actuary of £31,000 (2023 - £169,505), interest costs advised by the Actuary of £313,000 (2023 - £45,000) and administration costs advised by the Actuary of £nil (2023 - £3,495).

b) Staff numbers :

The average monthly number of employees and full time equivalents during the year was as follows:

	2024 Number	2023 Number
Care	475	448
Finance and administration	13	13
	488	461

c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :

	2022/23 Number	2021/22 Number
£70,001 - £80,000	-	1
£90,000 - £100,000	1	-
£120,001 - £130,000	-	1

12. Other costs

	Total 2024 £	Total 2023 £
Finance costs	235,158	174,127

13. Tangible fixed assets

	Land and buildings £	Long leasehold £	Office equipment £	Total £
Cost				
At 1 April 2023 and 31 March 2024	8,969,945	550,140	-	9,520,085
Depreciation				
At 1 April 2023 and 31 March 2024	-	-	-	-
Net book values				
At 31 March 2024	8,969,945	550,140	-	9,520,085
At 31 March 2023	8,969,945	550,140	-	9,520,085

Freehold land and buildings with a carrying amount of £7,467,081 (2023 - £7,467,081) have been pledged to secure borrowings of the Charity. The Charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Barclays Bank plc hold a debenture with a fixed and floating charge over the undertaking.

Depreciation on freehold property is not provided as the trustees feel that significant replacement and maintenance works are carried out on an annual basis and therefore there is no material change to the net book value at the year end.

14. Debtors

	Total 2024 £	Total 2023 £
Debtors from operations	1,654,169	1,874,442
Prepayments and accrued income	260,837	75,056
Other debtors	47,923	114,236
	1,962,929	2,063,734

15. Creditors - amounts falling due within one year

	Total 2024 £	Total 2023 £
Bank loans	220,572	520,238
Creditors from operations	305,875	162,895
Taxation and social security	199,307	200,747
Accruals and deferred income	975,110	713,075
Other creditors	58,087	24,704
	1,758,951	1,621,659
Deferred income		
Deferred income at 1 April 2023	186,223	222,566
Resources deferred in the year	127,866	186,223
Amounts released from previous years	(186,223)	(222,566)
Deferred income at 31 March 2024	127,866	186,223

At the balance sheet date the charity was holding funds received in advance for a digitalisation project and residential care fees.

16. Creditors - amounts falling due after more than one year

	Total 2024 £	Total 2023 £
Bank loans	2,485,258	2,705,829

17. Loans and overdrafts

	Total 2024 £	Total 2023 £
Bank loans	2,705,830	3,226,067
Payable within one year	220,572	520,238
Payable after more than one year	2,485,258	2,705,829
	2,705,830	3,226,067

The long term loans are secured by fixed charges against the properties to which they relate.

The interest rates on the loans vary from 3% to 7.5% and repayment terms vary from 2023 to 2038.

Notes to the financial statements for the year ended 31 March 2024 (continued)

18. Commitments under operating leases

At 31 March 2024 the charity was committed to making the following payments under non-cancellable operating leases :

	Total 2024 £	Total 2023 £
Within one year	1,332,217	1,305,111
Within two to five years inclusive	4,788,621	4,402,172
In over five years	18,102,072	15,942,782
	24,222,910	21,650,065

19. Analysis of funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Restricted funds					
Alsop House	373,393	-	-	-	373,393
Pension	-	-	282,000	(282,000)	-
	373,393	-	282,000	(282,000)	373,393
Unrestricted funds					
General fund	8,196,795	16,194,304	(16,027,861)	-	8,363,238
	8,196,795	16,194,304	(16,027,861)	-	8,363,238
Total funds	8,570,188	16,194,304	(15,745,861)	(282,000)	8,736,631

Name of fund	Description, nature and purpose of fund
Restricted general fund	Money given to the charity where the donor requires that a grant or donation be spent for a specific project. Funds relating to Alsop House were received from the Lottery Community Fund and 92% of the asset value would be repayable to BIG in the event of the disposal of the asset prior to 1 February 2025. The remainder of the funds are not repayable.
Unrestricted general fund	The free reserves of the charity which are not designated for particular purposes.

Notes to the financial statements for the year ended 31 March 2024 (continued)

20. Analysis of net assets between funds

Fund balances at 31 March 2024 are represented by:	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total funds £
Tangible fixed assets	9,146,692	-	373,393	9,520,085
Current assets	3,460,755	-	-	3,460,755
Current liabilities	(1,758,951)	-	-	(1,758,951)
Long term liabilities	(2,485,258)	-	-	(2,485,258)
Total net assets	8,363,238	-	373,393	8,736,631

Comparative information in respect of the preceding period is as follows :	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Total funds £
Tangible fixed assets	9,146,692	-	373,393	9,520,085
Current assets	3,377,591	-	-	3,377,591
Current liabilities	(1,621,659)	-	-	(1,621,659)
Long term liabilities	(2,705,829)	-	-	(2,705,829)
Total net assets	8,196,795	-	373,393	8,570,188

21. Financial commitments, guarantees and contingent liabilities

In the 2017/18 financial year SCCT entered into a lease with Real Estate Investors PLC and Sandwell Valley School (SVS) to act as the guarantor of the rent should the tenant (SVS) fail to pay. The lease runs from 29 September 2016 to 28 September 2041 with a rental charge of £120,000 plus VAT per annum.

22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total 2024 £	Total 2023 £
Net income/(expenditure) for the year	448,443	(888,442)
Interest receivable	(9,500)	(4,080)
Defined benefit pension scheme cost less contributions payable (note 24)	39,000	166,000
Defined benefit pension scheme finance cost/(income) (note 24)	(313,000)	45,000
Defined benefit pension scheme unfunded benefits paid	(8,000)	-
(Increase) / decrease in debtors	100,805	(310,190)
Increase / (decrease) in creditors	436,958	(59,559)
Net cash flow from operating activities	694,706	(1,051,271)

Notes to the financial statements for the year ended 31 March 2024 (continued)

23. Analysis of changes in net (debt)/funds

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	1,313,857	183,969	1,497,826
Loans falling due within one year	(3,017,733)	2,797,161	(220,572)
Loans falling due after more than one year	(208,334)	(2,276,924)	(2,485,258)
	(1,912,210)	704,206	(1,208,004)

24. Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £257,936 (2023 - £260,134).

Defined benefit schemes

The charity operates a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019.

The fair value of the pension assets at 31 March 2024 are in excess of the present value of the defined benefit obligation at that date. This gives rise to a surplus of £8,423,000 (2023 - £6,602,000).

The surplus is recognised in the financial statements only to the extent that the Trust can recover that surplus, either through a reduction in future contributions or through a refund to the Charity.

The Charity is not able to determine that future contributions will be reduced nor will it receive a refund in the foreseeable future. Therefore the surplus of £8,423,000 (2023 - £6,602,000) is not recognised as an asset at 31 March 2024. An adjustment has been made through the Statement of Financial Activities to reflect this.

Principal actuarial assumptions	At 31 March 2024	At 31 March 2023
Discount rate for scheme liabilities	3.78%	4.75%
Rate of increase for pensions in payment / inflation	2.78%	3.00%
Rate of increase in salaries	4.83%	4.00%

24. Retirement benefit schemes (continued)

Mortality assumptions

The assumed life expectations on retirement age 65 are:	At 31 March 2024	At 31 March 2023
Retiring today		
Males	20.3	21.7
Females	22.7	22.7
Retiring in 20 years		
Males	19.5	20.0
Females	24.4	24.9

Amounts recognised in the statement of financial activities	Total 2024 £	Total 2023 £
Current service cost	179,000	315,000
Interest income	(1,121,000)	(641,000)
Interest cost	808,000	686,000
	(134,000)	360,000

Amounts taken to other comprehensive income	Total 2024 £	Total 2023 £
Actual return on scheme assets	-	129,000
Interest income	1,121,000	641,000
Return on scheme assets	1,121,000	770,000
Actuarial changes related to scheme assets	(282,000)	1,824,000

The actual return on scheme assets was 9.70% (2023: 5%)

The amounts included on the balance sheet arising from the charity's obligations in respect of defined benefit schemes are as follows:	Total 2024 £	Total 2023 £
Present value of defined benefit obligations	25,690,000	23,793,000
Fair value of plan assets	(25,690,000)	(23,793,000)
Deficit in scheme	-	-

Changes in the present value of defined benefit obligations were as follows :	2023/24 £	2022/23 £
At 1 April 2023	23,793,000	25,566,000
Current service cost	179,000	315,000
Benefits paid	(590,000)	(603,000)
Unfunded benefits paid	(8,000)	-
Employee contributions	54,000	49,000
Actuarial gains/(losses)	(367,000)	(8,822,000)
Interest cost	808,000	686,000
Adjustment for unrecognised surplus in scheme	1,821,000	6,602,000
At 31 March 2024	25,690,000	23,793,000

24. Retirement benefit schemes (continued)

The defined benefit obligations arise from plans funded as follows :

	Total 2023/24 £	Total 2022/23 £
Wholly unfunded obligations	89,000	90,000
Wholly or partly funded obligations	17,178,000	17,101,000
Adjustment for unrecognised surplus in scheme	8,423,000	6,602,000
	25,690,000	23,793,000

Changes in the fair value of Trust's share of scheme assets were as follows :

	2023/24 £	2022/23 £
At 1 April 2023	23,793,000	23,953,000
Interest income	1,121,000	641,000
Return on assets less interest	1,172,000	(770,000)
Benefits paid net of transfers in	(590,000)	(603,000)
Employer contributions	140,000	142,000
Employee contributions	54,000	56,000
Other	-	374,000
At 31 March 2024	25,690,000	23,793,000

The trust's share of the assets in the scheme was :

	31 March 2024 £	31 March 2023 £
Equities	15,670,900	16,179,240
Property	7,193,200	1,665,510
Bonds	1,541,400	5,234,460
Cash and other liquid assets	1,284,500	713,790
Total market value of assets	25,690,000	23,793,000

The latest asset split that has been provided allows for index returns, where required, on each asset category to determine the split of assets.

25. Related party transactions

The following related party transactions took place during the period :

	2024 £	2023 £
Sandwell Valley School Limited		
Company in which M Hall, A Coley and G Walker are directors		
Income received from related party during the year	-	7,920
Expenditure to related company during the year	2,584	-
Amount due from/(to) related company at year end	246	14,368

Notes to the financial statements for the year ended 31 March 2024 (continued)

25. Related party transactions (continued)

	2024 £	2023 £
Lymph Care UK		
Company in which G Walker is a member of the board		
Income received from related party during the year	3,870	2,000
Amount due from/(to) related company at year end	4,245	250

26. Contingent liability

The Trust is currently disputing a dilapidations liability of £158,989 claimed by its former landlord. A provision has been made in these accounts for any potential liability arising.

THE SANDWELL COMMUNITY CARING TRUST

England & Wales - Charity number 1086162

Accounts

Charity registration number 1086162

Company registration number 03286106 (England and Wales)

SANDWELL COMMUNITY CARING TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs S A Rogers Mr G Walker Mrs M Hall Mr A Coley K Jones	 (Appointed 12 October 2023)
Secretary	Mrs Tracy Graham	
Charity number	1086162	
Company number	03286106	
Principal address	9th Floor West Plaza 144 High Street West Bromwich West Midlands B70 6JJ	
Registered office	9th Floor West Plaza 144 High Street West Bromwich West Midlands B70 6JJ	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
Bankers	Barclays Bank Plc - Dudley 47 High Street Dudley West Midlands DY1 1PP	
Solicitors	Wright Hassal LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF	

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
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SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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 [governing document], the Companies Act 2006 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 Trusts objectives are to promote the relief of and provide relief, support and assistance to individuals who, by reason of old age, mental illness or physical or learning disabilities, require special care and attention.

To promote, in particular, the relief of and support and assistance to beneficiaries who are resident in or associated to Sandwell MBC, Walsall MBC, Dudley MBC and Torbay Care Trust or any of its neighbouring councils.

There has been no change in these during the year.

Whilst the adverse consequences of the covid-19 pandemic have subsided, covid-19 continues to pose challenges to the adult social care sector. Despite this, the Trust has managed to meet the objectives highlighted above. Throughout the year the Trust has successfully kept its residents, tenants and employees safe.

The principal activity of the Trust is to provide health and social care services to older people and adults with learning and or physical disabilities. The Trust currently provides residential care for over 110 older people, 88 of whom are suffering with dementia, 150 days of day care each week for adults with profound learning and or physical disabilities and care and support to over 280 adults with learning disabilities in supported living. The pandemic has had a detrimental impact upon occupancy, particularly within residential care, which has contributed to a deterioration in financial performance. However, occupancy levels recovered in the latter part of the financial year.

One of the continuing major objectives during the financial year has been to fully understand the implications of austerity on Local Authority income and the impact that this would have on the fees paid for the delivery of Adult Social Care. In addition, the Charity will need to continue to clarify the implications of the continued rise in the National Minimum Living Wage, particularly in the context of on-going austerity.

There is no restriction on who can access the services provided by Sandwell Community Caring Trust. All the care packages which are provided are based on the clinical and social needs of each individual.

Admission to Sandwell Community Caring Trust's services normally takes place after a multi- disciplinary needs assessment, which involves the prospective service user and their family.

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

The services provided by Sandwell Community Caring Trust are compliant with the Commission for Racial Equalities Code of Practice.

Due to the nature of the services that it provides the charity does not rely on the use of volunteers.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

The Trust has continued to maintain and fulfil its contractual obligations and achieved its targets securing ongoing provision for the care of vulnerable people.

Two of the Trust's main key performance indicators are the level of employee sickness and staff turnover. Employee sickness levels are monitored through the year.

The staff turnover for this year was 19% (2022:20%) which was a decrease of 1 percentage points compared to last year.

Thes indicators not only have a financial impact on the Trust but also impact on the quality of care that is provided to its service users. These levels have remained constant over the years which contribute to a consistent happy work force that provide a high quality of care to the vulnerable people that deserve to receive continuity from the service they need.

Despite the difficulties experienced during the pandemic, the Trust successfully maintained the standard of care provision without recourse to the use of staffing agencies and continues to do so.

The quality of the care that the Trust provides is measured and regulated by the Care Quality Commission and is reflected in their inspection reports on the Trust's services.

Financial review

The company's balance sheet as detailed on page 13 shows that the funds before the 2023 defined benefit pension scheme liability amounted to £8,570,188 (2022: £9,247,630). The closing position including the pension scheme liability at 31 March 2023 was £8,570,188 (2022: £7,634,630).

The Statement of Financial Activities on page 12 of these financial statements shows a net expenditure of £888,442 for this financial year. This deficit is attributable to a number of factors including continuing cost pressures across the sector, the most significant of which was a 9.7% increase in the minimum wage. Unfortunately, these prevailing cost pressures were not met by a commensurate percentage increase in fees received from commissioning bodies. Furthermore, the residual adverse impact of the covid-19 pandemic on the confidence of families placing their relatives in residential care homes led to a higher-than-normal level of vacancies within residential homes for much of year and an associated loss of income. In addition, the deficit was exacerbated by a one-off payment of £450,000, which is shown on page 12 of these financial statements. This payment is not part of The Charity's normal, ongoing operational costs.

In the context of the deficit highlighted above, the Trustees are reassured by the results pertaining to the year ending 31st March 2024. The considerable improvement is due to a number of contributory factors the most significant of which are the fair cost of care exercises, in which the Charity fully engaged, which have produced significant increases in fees paid by local authorities, residential care home occupancy rates being at near-capacity for much of the financial year and cost control measures.

The Balance Sheet, on page 13 of these financial statements, shows net current liabilities of £741,563. This is due to a long-term loan of £2,589,180 being designated, in order to comply with accounting regulations as payable within one year. Much of the loan is payable after one year but this treatment is required as a result of repayment and interest cover covenant breaches. As stated in note 15 on page 24 of these financial statements, prior to the approval of the accounts, the Charity received a letter from the bank acknowledging the breaches. The letter stated that it was not the present intention of the bank to exercise any of its rights in relation to the breaches.

The Trustees are reassured that the Charity continues to meet its loan obligations and working capital requirements, when due, from its cash at bank balances.

It is the policy of the Charity that unrestricted funds before the defined pension scheme liability, which have not been designated for a specific use, should be maintained at a level equivalent to 10% of incoming resources from charitable activities. The Trustees considers that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

Having developed a clear understanding of the implications of austerity on local authority contracts and the impact of the continued rise in the National Minimum Living Wage, as reported in previous years, the Charity introduced changes in the terms and conditions of its employees that reflect the new financial environment within which it operates. These changes were implemented in October 2018 and the Charity continues to assess the impact of these changes and review its financial position, in the context of its operating environment, on a regular basis

The charity currently has no long-term investments but takes advantage of short-term cash flow situations by placing funds with institutions approved by the Board.

The Trustees have 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.

The Trustee Board is responsible for overseeing the charity's risk management activities. Detailed consideration of risk is delegated to the Senior Management Team, who are continually reviewing this matter and reporting thereon to the Trustee Board. Through the risk management process established for the charity, the Trustees are satisfied that the major risks have been identified and processes for addressing them have been implemented. It is recognised that any control systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

In previous years the defined benefit pension scheme deficit has had a significant impact on the net assets of the Trust and is based on the valuation provided by the Scheme's actuaries in accordance with Generally Accepted Accounting Practice. The key risk to the Trust surrounding such a pension deficit is the funding of future contributions for both Schemes in place. This is mitigated by the fact that both Schemes no longer admit new members agreement with Sandwell MBC that any employer contributions above the agreed 17.9% relating to the EMI Scheme will be paid by the Council although the current employer contributions are 11.5% for this particular scheme. Furthermore, when an employer applies for admitted body status, the WMPF requires a guarantor or a Bond to cover any costs in the event of insolvency. The WMPF has procedures in place to mitigate the risks of rogue employers.

It should be noted that as at 31st March 2023 there was deemed to be a defined benefit pension surplus of £6.6m. However, under FRS 102 a pension scheme surplus is only recognised as an asset in the balance sheet to the extent that the employer can recover a surplus through reduced contributions or refunds. Therefore, in accordance with these requirements the defined benefit pension liability is shown as nil on the balance sheet. See further details at note 19.

The Trustee Board is aware of the combined risks posed by austerity on local authority contracts and the increase in the National Minimum Living Wage. They have clear plans which will address these risks and ensure the continued sustainability of the Charity.

The Trustees previously reported on the outcome of a CQC inspection of its supported living services in July 2021.

The inspection rated SCCT's supported living services as 'inadequate.' This rating came as a complete surprise and in response a detailed action plan, to address all the concerns noted in the report, was implemented. This action plan was accepted by CQC and all the local authorities which commissioned our supported living services. Following the implementation of the action plan our supported living services were re-inspected in February 2022. This follow up inspection report recognised all the improvements that had been made and noted the very positive comments made by our service users and their families and other professionals working in partnership with SCCT. The overall rating was 'requires improvement'.

The inadequate rating from the report in July 2021, whilst very disappointing, did not represent any risk to the sustainability of SCCT as a business. All the key commissioners of our services remained confident in the services we provided and left all their contracts in place. Our commissioners worked with us to ensure that we addressed the issues highlighted by CQC.

The Senior Strategy Meeting process instigated by SCCT's commissioners, in response to the CQC report published on 14 September 2021, was closed with no further action required.

It was previously reported that SCCT would request a further full inspection of Supported Living Services by the CQC with the previous Chief Executive expecting the service to regain its "Good" rating. This has not occurred as yet due to the CQC revising its regulatory approach and, in particular, its criteria for conducting re-inspections. SCCT will continue to explore the possibility of securing a further full inspection of its Supported Living Services.

The Trust is always looking towards the future, seeking out new prospects and contracts to enable them to continue to deliver services to those most needy.

The Trust is in a position to take advantage of any opportunities for expansion particularly through the transfer of providers from local authorities, as austerity and budget deductions fully impact on local authority expenditure on adult social care.

Structure, governance and management

The Charity is a charitable company limited by guarantee and was set up on 01 April 1997. It is governed by a Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr F A Betteridge	(Resigned 1 April 2023)
Mrs S A Rogers	
Mr G Walker	
Mrs M Hall	
Mr A Coley	
K Jones	(Appointed 12 October 2023)

The Board of Trustees may fill vacancies arising during the year by appointing Trustees themselves, but any Trustees so appointed shall retain their office only until the next Annual General Meeting when they shall be eligible for re-election.

Any appointments made are with due regard to the broad range of relevant skills required by the Board of Trustees and the specialist skills and experience offered by the applicant Trustee.

None of the Trustees has any beneficial interest in the company. All the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The governing body of the Charity is the Board of Trustees which comprises 4 members and has met 4 times a year together with the Senior Management Team.

The Chief Executive has been appointed by the Trustees to manage the day-to-day operations.

Individual Trustee training is undertaken by Trustees on a needs basis but training for the full Board of Trustees and Senior Management Team takes place at least annually and focuses on governance issues.

The Trustees are responsible for determining the pay and conditions of key management personnel. This is done in consultation with an external human resources company who provide advice on comparative positions across the sector.

The Chief Executive Officer is responsible for recommending any changes in pay and conditions of the remainder of the paid service.

As reported in the previous year, the previous Chief Executive Officer, Mr Geoff Walker retired on 31 March 2023 and was replaced by Mr Andrew Coley who was previously Finance Director of the Trust.

Employee involvement

The Charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Charity continues and that the appropriate training is arranged. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

A resolution proposing that CK Audit are reappointed as auditors of the company will be put to the members.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.



Mrs M Hall

Dated: 8 February 2024

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees (who are also directors of Sandwell Community Caring Trust 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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.

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANDWELL COMMUNITY CARING TRUST

Opinion

We have audited the financial statements of Sandwell Community Caring Trust (the 'Charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 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 liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity by discussion and enquiry with the directors and management team and our general knowledge and experience of the charity.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP, legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators.

Audit response to risks identified

We assessed the susceptibility of the Charity's' financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by management in accounting for long term construction contracts including recognition of income and estimation of costs to complete;
- Identifying and testing journal entries;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.



Frances Clapham (Senior Statutory Auditor)
for and on behalf of CK Audit

8 February 2024

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	3	35,854	-	35,854	477,336
Charitable activities	4	14,198,034	-	14,198,034	13,517,169
Investments	5	4,080	-	4,080	304
Total income		14,237,968	-	14,237,968	13,994,809
Expenditure on:					
Charitable activities	6	14,502,283	-	14,502,283	13,910,921
Amount paid to SMBC in the year		450,000	-	450,000	-
Other	11	174,127	-	174,127	158,413
Total resources expended		15,126,410	-	15,126,410	14,069,334
Net expenditure for the year/ Net outgoing resources		(888,442)	-	(888,442)	(74,525)
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes		1,824,000	-	1,824,000	2,957,000
Net movement in funds		935,558	-	935,558	2,882,475
Fund balances at 1 April 2022		7,261,237	373,393	7,634,630	4,752,155
Fund balances at 31 March 2023		8,196,795	373,393	8,570,188	7,634,630

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	13		9,520,085		9,520,085
Current assets					
Debtors	14	2,063,734		1,753,544	
Cash at bank and in hand		1,313,857		2,620,591	
		3,377,591		4,374,135	
Creditors: amounts falling due within one year	16	(4,119,154)		(3,994,084)	
Net current (liabilities)/assets			(741,563)		380,051
Total assets less current liabilities			8,778,522		9,900,136
Creditors: amounts falling due after more than one year	17		(208,334)		(652,506)
Net assets excluding pension liability			8,570,188		9,247,630
Defined benefit pension liability	19		-		(1,613,000)
Net assets			8,570,188		7,634,630
Income funds					
Restricted funds	20		373,393		373,393
Unrestricted funds			8,196,795		7,261,237
			8,570,188		7,634,630

The financial statements were approved by the Trustees on 8 February 2024

Mrs M Hall
Trustee

Company registration number 03286106

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**25**		(1,051,271)		807,514
Investing activities					
Purchase of tangible fixed assets		-		(37,700)	
Investment income received		4,080		304	
Net cash generated from/(used in) investing activities			4,080		(37,396)
Financing activities					
Repayment of bank loans		(259,543)		(161,100)	
Net cash used in financing activities			(259,543)		(161,100)
Net (decrease)/increase in cash and cash equivalents			(1,306,734)		609,018
Cash and cash equivalents at beginning of year			2,620,591		2,011,573
Cash and cash equivalents at end of year			1,313,857		2,620,591

1 Accounting policies

Company information
Sandwell Community Caring Trust is a private company limited by guarantee incorporated in England and Wales It is a registered charity in England and Wales. Its charity number is 1086162.

1.1 Accounting convention
The accounts have been prepared in accordance with the Charity's constitution, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

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. 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.

As detailed in the Trustees' Report, the year ended 31st March 2023 was a difficult year which was reflected in the financial performance of the Charity. However financial performance in the current financial year has significantly improved. This together with the reasons outlined in the Trustees' Report has informed the Trustees' position in respect of going concern

The Charity is conscious of continuing cost pressures across the sector and will, therefore, continue to restrict costs as far as possible whilst seeking new income sources that are consistent with its charitable objectives. The Trust will also continue to lobby local authorities regarding a sustainable level of care fees.

1.3 Charitable funds
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources
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.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1 Accounting policies **(Continued)**

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.5 Resources expended

All expenditure is accounted for on an accruals basis. Salaries and central overhead costs are apportioned between charitable activities and governance costs based on estimate of staff time attributable to each.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and cash associated with the strategic management of the charity.

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:

Land and buildings	over 50 years
Long Leasehold	over 120 years

Land is not depreciated.

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 the statement of financial activities.

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.

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 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

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

During the year the Trust operated two LGPS defined benefit pension schemes and a defined contribution pension scheme.

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

Neither of the defined benefit schemes admit new members. New members of staff are admitted into the defined contribution scheme on their employment with the Charity.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

1 Accounting policies **(Continued)**

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Termination benefits are employee benefits provided in exchange for the termination of an employee's involvement in the Charity. Redundancy costs are recognised immediately once the Charity is demonstrably committed to terminate employment.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

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.

Critical judgements

Recoverability of trade debtors

A provision for doubtful trade debtors is set up when the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts due being fully recovered.

Key sources of estimation uncertainty

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 18 for the disclosures relating to the defined benefit scheme.

3 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	24,000	-
Covid-19 government support	11,854	477,336
	35,854	477,336

4 Charitable activities

	Residential and Daycare services 2023 £	Residential and Daycare services 2022 £
Residential care home fees	14,198,034	13,517,169

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	4,080	304

6 Charitable activities

	Residential and Daycare services 2023 £	Residential and Daycare services 2022 £
Staff costs	9,986,122	9,976,243
Heat and light	164,295	141,700
Rent, rates and insurance	1,044,938	1,041,390
Telecommunications	10,231	4,760
Other staff costs	44,614	35,547
Motor and travel costs	92,828	23,495
Repairs and renewals	544,673	374,972
Cleaning, waste and pest control	138,756	106,496
Other office costs	84,127	73,517
Printing, postage and stationery	5,582	6,163
Provisions	250,494	177,293
	12,366,660	11,961,576
Share of support costs (see note 7)	2,070,777	1,873,647
Share of governance costs (see note 7)	64,846	75,698
	14,502,283	13,910,921

7 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Staff costs	1,158,204	-	1,158,204	1,135,190
Heat and light	8,786	-	8,786	23,921
Rent, rates and insurance	325,685	-	325,685	161,674
Telecommunications	39,570	-	39,570	30,684
Other staff costs	172,990	-	172,990	90,448
Motor and travel	45,062	-	45,062	64,784
Repairs, renewals and equipment rental	110,700	-	110,700	116,049
Cleaning waste and pest control	1,712	-	1,712	13,882
Other office costs and sessionals	177,578	-	177,578	206,099
Printing, postage and stationery	29,971	-	29,971	30,354
Provisions	519	-	519	562
Audit fees	-	47,880	47,880	28,338
Legal and professional	-	16,966	16,966	47,360
	2,070,777	64,846	2,135,623	1,949,345
Analysed between				
Charitable activities	2,070,777	64,846	2,135,623	1,949,345

8 Auditor's remuneration

Fees payable to the Charity's auditor and associates:	2023	2022
	£	£
Audit of the Charity's annual accounts	32,880	26,790
Non-audit services		
Other assurance services	600	925
All other non-audit services	15,000	-
Total non-audit fees	15,600	925

9 Trustees

G Walker received remuneration in the year of £124,000 (2022- 124,000). This was paid to him for his role as Chief Executive, and not as Trustee of the Charity.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Care	448	432
Finance and adminstration	13	11
Total	461	443

Employment costs	2023 £	2022 £
Wages and salaries	9,678,214	9,624,796
Social security costs	845,978	784,860
Other pension costs	620,134	701,777
	11,144,326	11,111,433

Included in other pension costs above is an adjustment of £218,000 (2022: £307,000) relating to the increased pension costs as a result of the 2020 'Pension Expense Calculation' in respect of pension benefits provided by the Local Government Pension Scheme.

The amounts above relate to shortfall in contributions as advised by the Actuary of £169,505 (2022: £216,415), interest costs advised by the Actuary of £45,000 (2022: £87,000) and admin costs advised by the Actuary of £3,495 (2022: £3,585).

Included in wages and salaries above is severance pay of £17,463 (2022- £31,563).

Key management personnel remuneration in the year totalled £244,105 (2022: £ 236,950).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£70,001 - £80,000	1	1
£120,001 - £130,000	1	1

11 Other

	2023	2022
	£	£
Financing costs	174,127	158,413
	174,127	158,413

12 Taxation

The company is a registered charity and under the provisions of section 505, Income and Corporation Taxes Act 1988, has no liability to taxation.

13 Tangible fixed assets

	Land and buildings	Long Leasehold	Total
	£	£	£
Cost			
At 1 April 2022	8,969,945	550,140	9,520,085
At 31 March 2023	8,969,945	550,140	9,520,085
Depreciation charged in the year	142,801	-	142,801
Revaluation	(142,801)	-	(142,801)
Carrying amount			
At 31 March 2023	8,969,945	550,140	9,520,085
At 31 March 2022	8,969,945	550,140	9,520,085

Freehold land and buildings with a carrying amount of £7,467,081 (2022 - £7,467,081) have been pledged to secure borrowings of the Charity. The Charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Barclays Bank hold a debenture with a fixed and floating charge over the undertaking.

Depreciation on freehold property is reversed as the trustees feel that significant replacement and maintenance works are carried out on an annual basis and therefore there is no material change to the net book value at the year end.

14 Debtors

Amounts falling due within one year:	2023	2022
	£	£
Trade debtors	1,874,442	1,616,254
Other debtors	114,236	107,910
Prepayments and accrued income	75,056	29,380
	2,063,734	1,753,544

15 Loans and overdrafts

	2023	2022
	£	£
Bank loans	3,226,067	3,485,610
Payable within one year	3,017,733	2,833,104
Payable after one year	208,334	652,506

The long-term loans are secured by fixed charges against the properties to which they relate.

The interest rates of the loans vary from 3% to 7.5% and repayment terms vary from 2023 to 2038.

The charity was in breach of terms for £2,586,160 of loans payable to Unity Trust Bank at the balance sheet date. Details of the breaches relate to the requirement of repayment covenant and interest cover covenant which have not been met in the year to 31 March 2023. Prior to the approval of the accounts, the Charity received a letter from the bank acknowledging the breaches. Whilst this was not a waiver, the letter stated that it was not the present intention of the bank to exercise any of its rights in relation to the breaches.

16 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	15	3,017,733	2,833,104
Other taxation and social security		200,747	217,086
Deferred income	18	186,223	222,566
Trade creditors		162,895	49,429
Other creditors		24,704	26,885
Accruals and deferred income		526,852	645,014
		4,119,154	3,994,084

17 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	15	208,334	652,506

18 Deferred income

	2023	2022
	£	£
Arising from Supported Living & Residential Care	186,223	222,566

Deferred income is included in the financial statements as follows:

18 Deferred income (Continued)

	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	186,223	222,566
Movements in the year:		
Deferred income at 1 April 2022	222,566	566,473
Released from previous periods	(222,566)	(566,473)
Resources deferred in the year	186,223	222,566
Deferred income at 31 March 2023	186,223	222,566

Deferred income represents care fees for a period post 31 March 2023 which has been invoiced before the year end.

19 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £260,134 (2022 - £244,777).

Defined benefit schemes

The charity operates a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019.

The fair value of the pension plan assets at 31 March 2023 are in excess of the present value of the defined benefit obligation at that date. This gives rise to a surplus of £6,602,000.

The surplus is recognised in the financial statements only to the extent that the Company can recover that surplus, either through a reduction in future contributions or through a refund to the Charity.

The Charity is not able to determine that future contributions will be reduced nor will it receive a refund in the foreseeable future. Therefore the surplus of £6,602,000 is not recognised as an asset at 31 March 2023. An adjustment has been made through the Statement of Financial Activities to reflect this.

19 Retirement benefit schemes **(Continued)**

Key assumptions

	2023	2022
	%	%
Discount rate	4.75	2.7
Expected rate of increase of pensions in payment	3.0	3.2
Expected rate of salary increases	4.0	4.2

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2023	2022
	Years	Years
Retiring today		
- Males	21.7	21.2
- Females	22.7	23.6
Retiring in 20 years		
- Males	20.0	22.9
- Females	24.9	25.4

Amounts recognised in the profit and loss account:

	2023	2022
	£	£
Current service cost	315,000	370,000
Net interest on defined benefit liability/(asset)	45,000	87,000
Total costs	360,000	457,000

Amounts taken to other comprehensive income:

	2023	2022
	£	£
Actual return on scheme assets	129,000	(1,835,000)
Less: calculated interest element	641,000	445,000
Return on scheme assets excluding interest income	770,000	(1,390,000)
Actuarial changes related to obligations	(8,822,000)	(1,427,000)

19 Retirement benefit schemes **(Continued)**

The amounts included in the balance sheet arising from the Charity's obligations in respect of defined benefit plans are as follows:

	2023 £	2022 £
Present value of defined benefit obligations	23,793,000	25,566,000
Fair value of plan assets	(23,793,000)	(23,953,000)
Deficit in scheme	-	1,613,000

Movements in the present value of defined benefit obligations:

	2023 £
Liabilities at 1 April 2022	25,566,000
Current service cost	315,000
Benefits paid	(603,000)
Contributions from scheme members	49,000
Actuarial gains and losses	(8,822,000)
Interest cost	686,000
Adjustment for unrecognised surplus in scheme	6,602,000
At 31 March 2023	23,793,000

The defined benefit obligations arise from plans funded as follows:

	2023 £
Wholly unfunded obligations	90,000
Wholly or partly funded obligations	17,101,000
	23,793,000

Movements in the fair value of plan assets:

	2023 £
Fair value of assets at 1 April 2022	23,953,000
Interest income	641,000
Return on plan assets (excluding amounts included in net interest)	(770,000)
Benefits paid	(603,000)
Contributions by the employer	142,000
Contributions by scheme members	56,000
Other	374,000
At 31 March 2023	23,793,000

19 Retirement benefit schemes (Continued)

The fair value of plan assets at the reporting period end was as follows:

	2023	2022
	£	£
Equity instruments	16,179,240	16,048,510
Property	1,665,510	1,676,710
Bonds	5,234,460	5,269,660
Cash	713,790	958,120
	23,793,000	23,953,000

The latest asset split that has been provided allows for index returns, where required, on each asset category to determine the split of assets.

20 Restricted funds

The funds of the charity include restricted funds comprising the following donations and grants received for specific purposes:

	Balance at 1 April 2021	Movement in funds: Incoming resources	Balance at 1 April 2022	Movement in funds: Incoming resources	Balance at 31 March 2023
	£	£	£	£	£
Alsop House	373,393	-	373,393	-	373,393

Funds relating to Alsop House were received from the Lottery Community Fund and 92% of the asset value would be repayable to BIG in the event of the disposal of the asset prior to 01 February 2025. The remainder of the funds are not repayable.

21 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	9,146,692	373,393	9,520,085	9,146,692	373,393	9,520,085
Current assets/(liabilities)	(741,563)	-	(741,563)	380,051	-	380,051
Long term liabilities	(208,334)	-	(208,334)	(652,506)	-	(652,506)
Provisionsand pensions	-	-	-	(1,613,000)	-	(1,613,000)
	8,196,795	373,393	8,570,188	7,261,237	373,393	7,634,630

22 Financial commitments, guarantees and contingent liabilities

In the 2017/18 financial year, SCCT entered into a lease with Real Estate Investors PLC and Sandwell Valley School (SVS) to act as the guarantor of the rent should the tenant (SVS) fail to pay the rent. The lease runs from 29 September 2016 to 28 September 2041 with a rental charge of £120,000 + VAT per annum.

23 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:

	2023 £	2022 £
Within one year	1,305,111	1,223,892
Between two and five years	4,402,172	4,140,122
In over five years	15,942,782	15,229,470
	21,650,065	20,593,484

Lease payments recognised as an expense in the year totalled £1,223,892 (2022: £1,227,332).

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	244,105	236,950

Transactions with related parties

M Hall, A Coley and G Walker are all directors of Sandwell Valley School Limited.

During the year the charity recharged expenses totalling £7,920 (2022: £12,821) to Sandwell Valley School Limited. At 31 March 2023 £14,368 (2022: £110,447) was due from Sandwell Valley School Limited.

25 Cash generated from operations

	2023	2022
	£	£
Surplus for the year	(888,442)	(74,525)
Adjustments for:		
Investment income recognised in statement of financial activities	(4,080)	(304)
Difference between pension charge and cash contributions	211,000	300,000
Movements in working capital:		
(Increase)/decrease in debtors	(310,190)	847,124
(Decrease)/increase in creditors	(23,216)	79,126
(Decrease) in deferred income	(36,343)	(343,907)
Cash (absorbed by)/generated from operations	(1,051,271)	807,514

26 Analysis of changes in net (debt)/funds

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	2,620,591	(1,306,734)	1,313,857
Loans falling due within one year	(2,833,104)	(184,629)	(3,017,733)
Loans falling due after more than one year	(652,506)	444,172	(208,334)
	(865,019)	(1,047,191)	(1,912,210)

THE SANDWELL COMMUNITY CARING TRUST

England & Wales - Charity number 1086162

Accounts

Charity registration number 1086162

Company registration number 03286106 (England and Wales)

SANDWELL COMMUNITY CARING TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr F A Betteridge Mrs S A Rogers Mr G Walker Mrs M Hall Mr A Coley	(Appointed 12 July 2021)
Secretary	Mrs Tracy Graham	
Charity number	1086162	
Company number	03286106	
Principal address	9th Floor West Plaza 144 High Street West Bromwich West Midlands B70 6JJ	
Registered office	9th Floor West Plaza 144 High Street West Bromwich West Midlands B70 6JJ	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
Bankers	Barclays Bank Plc - Dudley 47 High Street Dudley West Midlands DY1 1PP	
Solicitors	Wright Hassal LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF	

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
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SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's constitution, the Companies Act 2006 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 2015)"

Objectives and activities

The Trusts objectives are to promote the relief of and provide relief, support and assistance to individuals who, by reason of old age, mental illness or physical or learning disabilities, require special care and attention.

To promote, in particular, the relief of and support and assistance to beneficiaries who are resident in or associated to Sandwell MBC, Walsall MBC, Dudley MBC and Torbay Care Trust or any of its neighbouring councils.

There has been no change in these during the year.

Obviously, during the financial year under review, the COVID-19 pandemic has loomed large over the social care sector. Despite the significant challenges that the pandemic has posed, and continues to pose, to the sector the Trust has managed to meet the objectives highlighted above. Throughout the year the Trust has successfully kept its residents, tenants and employees safe.

The principal activity of the Trust is to provide health and social care services to older people and adults with learning and or physical disabilities. The Trust currently provides residential care for over 110 older people, 87 of whom are suffering with dementia, 150 days of day care each week for adults with profound learning and or physical disabilities and care and support to over 280 adults with learning disabilities in supported living. These numbers have remained consistent throughout previous financial years and has meant that the Charity has experienced very high levels of occupancy and demand for its services. Despite the pandemic adversely impacting upon occupancy, to a degree, during the financial year under review, occupancy levels have not been significantly reduced.

One of the continuing major objectives during the financial year has been to fully understand the implications of austerity on Local Authority income and the impact that this would have on the fees paid for the delivery of Adult Social Care. In addition, the Charity will need to continue to clarify the implications of the continued rise in the National Minimum Living Wage, particularly in the context of on-going austerity.

There is no restriction on who can access the services provided by Sandwell Community Caring Trust. All the care packages which are provided are based on the clinical and social needs of each individual.

Admission to Sandwell Community Caring Trust's services normally takes place after a multi- disciplinary needs assessment, which involves the prospective service user and their family.

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

The services provided by Sandwell Community Caring Trust are compliant with the Commission for Racial Equalities Code of Practice.

Due to the nature of the services that it provides the charity does not rely on the use of volunteers.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

The Trust has continued to maintain and fulfil its contractual obligations and achieved its targets securing ongoing provision for the care of vulnerable people.

Two of the Trust's main key performance indicators are the level of employee sickness and staff turnover. Employee sickness levels are monitored through the year. This year, mainly due to on-going COVID-19 related sickness absence and the requirement to self-isolate, this figure has significantly increased over the last two years.

The staff turnover for this year was 20% (2021:22%) which was a decrease of 2 percentage points compared to last year. This figure can be directly attributed to the pandemic and people leaving the sector due to the perceived risk and the challenging operating environment.

Both of these indicators not only have a financial impact on the Trust but also impact on the quality of care that is provided to its service users. These levels have remained constant over the years which contribute to a consistent happy work force that provide a high quality of care to the vulnerable people that deserve to receive continuity from the service they need. Throughout the pandemic, SCCT has been able to deliver 100% of its contracted hours.

Despite the difficulties experienced during the pandemic, the Trust successfully maintained the standard of care provision without recourse to the use of staffing agencies. As recognised in 'Financial Review' below, this has not been without repercussions for the financial performance of the Trust.

The quality of the care that the Trust provides is measured and regulated by the Care Quality Commission and is reflected in their inspection reports on the Trust's services.

Financial review

The company's balance sheet as detailed on page 11 shows that the funds before the 2022 defined benefit pension scheme liability amounted to £9,247,630 (2021: £9,022,155). The closing position including the pension scheme liability at 31 March 2022 was £7,634,630 (2021: £4,752,155).

COVID-19 has clearly had an adverse impact, although mitigated to a degree by various government funding schemes, on the Trust's financial performance as many of our costs have been increased due to testing, staff self-isolating and sickness absence all of which have been beyond the Trust's control. Employment costs have also increased as the Trust has endeavoured to maintain a consistent and high-quality care provision for its vulnerable residents and clients by utilising its own staffing levels, thus precluding the need to use the services of staffing agencies.

Having developed a clear understanding of the implications of austerity on local authority contracts and the impact of the continued rise in the National Minimum Living Wage, as reported last year, the Charity introduced changes in the terms and conditions of its employees that reflect the new financial environment within which it operates. These changes were implemented in October 2018 and the Charity continues to assess the impact of these changes and review its financial position, in the context of its operating environment, on a regular basis.

It is the policy of the Charity that unrestricted funds before the defined pension scheme liability, which have not been designated for a specific use, should be maintained at a level equivalent to 10% of incoming resources from charitable activities. The Trustees considers that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

The charity currently has no long-term investments but takes advantage of short-term cash flow situations by placing funds with institutions approved by the Board.

The Trustees have 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.

The Trustee Board is responsible for overseeing the charity's risk management activities. Detailed consideration of risk is delegated to the Senior Management Team, who are continually reviewing this matter and reporting thereon to the Trustee Board. Through the risk management process established for the charity, the Trustees are satisfied that the major risks have been identified and processes for addressing them have been implemented. It is recognised that any control systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As noted above, the defined benefit pension scheme deficit has had a significant impact on the net assets of the Trust and is based on the valuation provided by the Scheme's actuaries in accordance with Generally Accepted Accounting Practice. The key risk to the Trust surrounding the pension deficit is the funding of future contributions for both Schemes in place. This is mitigated by the fact that both Schemes no longer admit new members and there is an agreement with Sandwell MBC that any employer contributions above the agreed 17.9% relating to the EMI Scheme will be paid by the Council. Furthermore, when an employer applies for admitted body status, the WMPF requires a guarantor or a Bond to cover any costs in the event of insolvency. The WMPF has procedures in place to mitigate the risks of rogue employers.

The Trustee Board is aware of the combined risks posed by austerity on local authority contracts and the increase in the National Minimum Living Wage. They have clear plans which will address these risks and ensure the continued sustainability of the Charity.

The Trustees would also like to report on the outcome of a CQC inspection of its supported living services in July 2021.

The inspection rated SCCT's supported living services as 'inadequate.' This rating came as a complete surprise and in response a detailed action plan, to address all the concerns noted in the report, was implemented. This action plan was accepted by CQC and all the local authorities which commissioned our supported living services. Following the implementation of the action plan our supported living services were re-inspected in February 2022. This follow up inspection report recognised all the improvements that had been made and noted the very positive comments made by our service users and their families and other professionals working in partnership with SCCT. The overall rating was 'requires improvement'.

The inadequate rating from the report in July 2021, whilst very disappointing, did not represent any risk to the sustainability of SCCT as a business. All the key commissioners of our services remained confident in the services we provided and left all their contracts in place. Our commissioners worked with us to ensure that we addressed the issues highlighted by CQC.

The Senior Strategy Meeting process instigated by SCCT's commissioners, in response to the CQC report published on 14 September 2021, was closed with no further action required.

In 12 months', time SCCT will request a further full inspection of Supported Living Services by the CQC. The Chief Executive fully expects the service to regain its "Good" rating at that time.

The Trust is always looking towards the future, seeking out new prospects and contracts to enable them to continue to deliver services to those most needy.

The Trust is in a position to take advantage of any opportunities for expansion particularly through the transfer of providers from local authorities, as austerity and budget deductions fully impact on local authority expenditure on adult social care.

Structure, governance and management

The Charity is a charitable company limited by guarantee and was set up on 01 April 1997. It is governed by a Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:
Mr F A Betteridge
Mrs S A Rogers
Mr G Walker
Mrs M Hall (Appointed 12 July 2021)
Mr A Coley

The Board of Trustees may fill vacancies arising during the year by appointing Trustees themselves but any Trustees so appointed shall retain their office only until the next Annual General Meeting when they shall be eligible for re-election.

Any appointments made are with due regard to the broad range of relevant skills required by the Board of Trustees and the specialist skills and experience offered by the applicant Trustee.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The governing body of the Charity is the Board of Trustees which comprises 4 members and has met 4 times a year together with the Senior Management Team.

The Chief Executive has been appointed by the Trustees to manage the day-to-day operations.

Individual Trustee training is undertaken by Trustees on a needs basis but training for the full Board of Trustees and Senior Management Team takes place at least annually and focuses on governance issues.

The Trustees are responsible for determining the pay and conditions of key management personnel. This is done in consultation with an external human resources company who provide advice on comparative positions across the sector.

The Chief Executive Officer is responsible for recommending any changes in pay and conditions of the remainder of the paid service.

The current Chief Executive Officer, Mr Geoff Walker, will retire on 31 March 2023 and will be replaced by Mr Andrew Coley who is the current Finance Director of the Trust.

Employee involvement

The Charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Charity continues and that the appropriate training is arranged. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor
A resolution proposing that CK Audit are reappointed as auditors of the company will be put to the members.

Disclosure of information to auditor
Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.



Mrs M Hall

Dated: 30 March 2023

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees (who are also directors of Sandwell Community Caring Trust 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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.

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANDWELL COMMUNITY CARING TRUST

Opinion

We have audited the financial statements of Sandwell Community Caring Trust (the 'Charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 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 liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity by discussion and enquiry with the directors and management team and our general knowledge and experience of the charity.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP, legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators.

Audit response to risks identified

We assessed the susceptibility of the Charity's' financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by management in accounting for long term construction contracts including recognition of income and estimation of costs to complete;
- Identifying and testing journal entries;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.

Frances Clapham (Senior Statutory Auditor)
for and on behalf of CK Audit

30 March 2023

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	3	477,336	-	477,336	746,712
Charitable activities	4	13,517,169	-	13,517,169	13,869,259
Investments	5	304	-	304	-
Total income		13,994,809	-	13,994,809	14,615,971
Expenditure on:					
Charitable activities	6	13,910,921	-	13,910,921	14,540,553
Other	11	158,413	-	158,413	159,671
Total resources expended		14,069,334	-	14,069,334	14,700,224
Net expenditure for the year/ Net outgoing resources		(74,525)	-	(74,525)	(84,253)
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes		2,957,000	-	2,957,000	(1,914,000)
Net movement in funds		2,882,475	-	2,882,475	(1,998,253)
Fund balances at 1 April 2021		4,378,762	373,393	4,752,155	6,750,408
Fund balances at 31 March 2022		7,261,237	373,393	7,634,630	4,752,155

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		9,520,085		9,482,385
Current assets					
Debtors	14	1,753,544		2,600,668	
Cash at bank and in hand		2,620,591		2,011,573	
		4,374,135		4,612,241	
Creditors: amounts falling due within one year	16	(3,994,084)		(4,270,743)	
Net current assets			380,051		341,498
Total assets less current liabilities			9,900,136		9,823,883
Creditors: amounts falling due after more than one year	17		(652,506)		(801,728)
Net assets excluding pension liability			9,247,630		9,022,155
Defined benefit pension liability	19		(1,613,000)		(4,270,000)
Net assets			7,634,630		4,752,155
Income funds					
Restricted funds	20		373,393		373,393
Unrestricted funds			7,261,237		4,378,762
			7,634,630		4,752,155

The financial statements were approved by the Trustees on 30 March 2023

Mrs M Hall
Trustee

Company registration number 03286106

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**25**		807,514		(689,385)
Investing activities					
Purchase of tangible fixed assets		(37,700)		(6,540,500)	
Proceeds from disposal of tangible fixed assets		-		13,122,503	
Investment income received		304		-	
Net cash (used in)/generated from investing activities			(37,396)		6,582,003
Financing activities					
Repayment of bank loans		(161,100)		(3,947,680)	
Net cash used in financing activities			(161,100)		(3,947,680)
Net increase in cash and cash equivalents			609,018		1,944,938
Cash and cash equivalents at beginning of year			2,011,573		66,635
Cash and cash equivalents at end of year			2,620,591		2,011,573

1 Accounting policies

Company information
Sandwell Community Caring Trust is a private company limited by guarantee incorporated in England and Wales It is a registered charity in England and Wales. Its charity number is 1086162.

1.1 Accounting convention
The accounts have been prepared in accordance with the Charity's constitution, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

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. 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.

The Charity is conscious of continuing cost pressures across the sector and will, therefore, continue to restrict costs as far as possible whilst seeking new income sources that are consistent with its charitable objectives. The Trust will also continue to lobby local authorities regarding the fair cost of care and participate in the fair cost of care process initiated by local authorities.

1.3 Charitable funds
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources
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.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1 Accounting policies **(Continued)**

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.5 Resources expended

All expenditure is accounted for on an accruals basis. Salaries and central overhead costs are apportioned between charitable activities and governance costs based on estimate of staff time attributable to each.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and cash associated with the strategic management of the charity.

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:

Land and buildings	over 50 years
Long Leasehold	over 120 years

Land is not depreciated.

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 the statement of financial activities.

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.

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 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

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

During the year the Trust operated two LGPS defined benefit pension schemes and a defined contribution pension scheme.

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

Neither of the defined benefit schemes admit new members. New members of staff are admitted into the defined contribution scheme on their employment with the Charity.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

1 Accounting policies **(Continued)**

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Termination benefits are employee benefits provided in exchange for the termination of an employee's involvement in the Charity. Redundancy costs are recognised immediately once the Charity is demonstrably committed to terminate employment.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

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.

Critical judgements

Recoverability of trade debtors

A provision for doubtful trade debtors is set up when the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts due being fully recovered.

Key sources of estimation uncertainty

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 18 for the disclosures relating to the defined benefit scheme.

3 Donations and legacies

	Unrestricted funds	Total
	2022	2021
	£	£
Donations and gifts	-	42,744
Covid-19 government support	477,336	703,968
	477,336	746,712

4 Charitable activities

	Residential and Daycare services	Residential and Daycare services
	2022	2021
	£	£
Residential care home fees	13,517,169	13,869,259

5 Investments

	Unrestricted funds	Total
	2022	2021
	£	£
Interest receivable	304	-

6 Charitable activities

	Residential and Daycare services 2022 £	Residential and Daycare services 2021 £
Staff costs	9,976,243	10,648,538
Heat and light	141,700	219,576
Rent, rates and insurance	1,041,390	865,286
Telecommunications	4,760	4,491
Other staff costs	35,547	34,500
Motor and travel costs	23,495	53,760
Repairs and renewals	374,972	328,527
Cleaning, waste and pest control	106,496	161,204
Other office costs	73,517	84,676
Printing, postage and stationery	6,163	10,610
Provisions	177,293	252,816
	11,961,576	12,663,984
Share of support costs (see note 7)	1,873,647	1,815,665
Share of governance costs (see note 7)	75,698	60,904
	13,910,921	14,540,553

7 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Staff costs	1,135,190	-	1,135,190	983,984
Profit on disposal of tangible assets	-	-	-	(4,504)
Heat and light	23,921	-	23,921	12,024
Rent, rates and insurance	161,674	-	161,674	300,451
Telecommunications	30,684	-	30,684	40,332
Other staff costs	90,448	-	90,448	3,276
Motor and travel	64,784	-	64,784	28,047
Repairs, renewals and equipment rental	116,049	-	116,049	48,544
Cleaning waste and pest control	13,882	-	13,882	59,179
Other office costs and sessionals	206,099	-	206,099	320,937
Printing, postage and stationery	30,354	-	30,354	22,687
Provisions	562	-	562	708
Audit fees	-	28,338	28,338	17,430
Legal and professional	-	47,360	47,360	43,474
	1,873,647	75,698	1,949,345	1,876,569
Analysed between				
Charitable activities	1,873,647	75,698	1,949,345	1,876,569

8 Auditor's remuneration

Fees payable to the Charity's auditor and associates:	2022	2021
	£	£
Audit of the Charity's annual accounts	26,790	13,175
Non-audit services		
Other assurance services	925	2,350

9 Trustees

G Walker received remuneration in the year of £124,000 (2021 - £41,333). This was paid to him for his role as Chief Executive, and not as Trustee of the Charity.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Care	432	462
Finance and adminstration	11	11
Total	443	473

Employment costs	2022 £	2021 £
Wages and salaries	9,624,796	10,189,597
Social security costs	784,860	786,214
Other pension costs	701,777	656,711
	11,111,433	11,632,522

Included in other pension costs above is an adjustment of £307,000 (2021: £192,000) relating to the increased pension costs as a result of the 2020 'Pension Expense Calculation' in respect of pension benefits provided by the Local Government Pension Scheme.

The amounts above relate to shortfall in contributions as advised by the Actuary of £216,415 (2021: £131,000), interest costs advised by the Actuary of £87,000 (2021: £48,000) and admin costs advised by the Actuary of £3,585 (2021: £13,000).

Included in wages and salaries above is severance pay of £31,563 (2021 - £16,209).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£80,001 - £90,000	1	1
£101,001 - £110,000	-	1
£120,001 - £130,000	1	-

11 Other

	2022	2021
	£	£
Financing costs	158,413	159,671
	158,413	159,671

12 Taxation

The company is a registered charity and under the provisions of section 505, Income and Corporation Taxes Act 1988, has no liability to taxation.

13 Tangible fixed assets

	Land and buildings	Long Leasehold	Total
	£	£	£
Cost			
At 1 April 2021	9,482,385	-	9,482,385
Additions	37,700	-	37,700
Transfer to long leasehold	(550,140)	550,140	-
At 31 March 2022	8,969,945	550,140	9,520,085
Depreciation and impairment			
Depreciation charged in the year	142,801	-	142,801
Revaluation	(142,801)	-	(142,801)
Carrying amount			
At 31 March 2022	8,969,945	550,140	9,520,085
At 31 March 2021	9,482,385	-	9,482,385

Freehold land and buildings with a carrying amount of £7,467,081 (2021 - £7,429,381) have been pledged to secure borrowings of the Charity. The Charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Barclays Bank hold a debenture with a fixed and floating charge over the undertaking.

Depreciation on freehold property is reversed as the trustees feel that significant replacement and maintenance works are carried out on an annual basis and therefore there is no material change to the net book value at the year end.

14 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	1,616,254	1,791,570
Other debtors	107,910	649,092
Prepayments and accrued income	29,380	160,006
	1,753,544	2,600,668

15 Loans and overdrafts

	2022 £	2021 £
Bank loans	3,485,610	3,646,710
Payable within one year	2,833,104	2,844,982
Payable after one year	652,506	801,728
Amounts included above which fall due after five years:		
Payable by instalments	-	66,667

The long-term loans are secured by fixed charges against the properties to which they relate.

The interest rates of the loans vary from 3% to 7.5% and repayment terms vary from 2023 to 2038.

The charity was in breach of terms for £2,671,374 of loans payable to Unity Trust Bank at the balance sheet date. Details of the breaches relate to the requirement to provide financial information within stated timescales, repayment covenant and interest cover covenant which have not been met in the year to 31 March 2022. Prior to the approval of the accounts, the Charity received a letter from the bank acknowledging the breaches. Whilst this was not a waiver, the letter stated that it was not the present intention of the bank to exercise any of its rights in relation to the breaches.

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	15	2,833,104	2,844,982
Other taxation and social security		217,086	223,834
Deferred income	18	222,566	566,473
Trade creditors		49,429	125,035
Other creditors		26,885	2,593
Accruals		645,014	507,826
		3,994,084	4,270,743

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	15	652,506	801,728

18 Deferred income

	2022 £	2021 £
Arising from Supported Living & Residential Care	222,566	566,473

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	222,566	566,473
Movements in the year:		
Deferred income at 1 April 2021	566,473	722,559
Released from previous periods	(566,473)	(722,559)
Resources deferred in the year	222,566	566,473
Deferred income at 31 March 2022	222,566	566,473

19 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £244,777 (2021 - £250,711).

Defined benefit schemes

The charity operates a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019.

19 Retirement benefit schemes **(Continued)**

Key assumptions

	2022	2021
	%	%
Discount rate	2.7	2
Expected rate of increase of pensions in payment	3.2	2.8
Expected rate of salary increases	4.2	3.8

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022	2021
	Years	Years
Retiring today		
- Males	21.2	21.6
- Females	23.6	23.9
Retiring in 20 years		
- Males	22.9	23.4
- Females	25.4	25.8

Amounts recognised in the profit and loss account:

	2022	2021
	£	£
Current service cost	370,000	345,000
Net interest on defined benefit liability/(asset)	87,000	48,000
Total costs	457,000	393,000

Amounts taken to other comprehensive income:

	2022	2021
	£	£
Actual return on scheme assets	(1,835,000)	(3,649,000)
Less: calculated interest element	445,000	445,000
Return on scheme assets excluding interest income	(1,390,000)	(3,204,000)
Actuarial changes related to obligations	(1,427,000)	5,393,000

19 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the Charity's obligations in respect of defined benefit plans are as follows:

	2022 £	2021 £
Present value of defined benefit obligations	25,566,000	26,730,000
Fair value of plan assets	(23,953,000)	(22,460,000)
Deficit in scheme	1,613,000	4,270,000

Movements in the present value of defined benefit obligations:

	2022 £
Liabilities at 1 April 2021	26,730,000
Liabilities assumed in a business combination	(140,000)
Current service cost	370,000
Benefits paid	(549,000)
Contributions from scheme members	50,000
Actuarial gains and losses	(1,427,000)
Interest cost	532,000
At 31 March 2022	25,566,000

The defined benefit obligations arise from plans funded as follows:

	2022 £
Wholly unfunded obligations	94,000
Wholly or partly funded obligations	25,472,000
	25,566,000

Movements in the fair value of plan assets:

	2022 £
Fair value of assets at 1 April 2021	22,460,000
Interest income	445,000
Return on plan assets (excluding amounts included in net interest)	1,390,000
Benefits paid	(549,000)
Contributions by the employer	150,000
Contributions by scheme members	57,000
At 31 March 2022	23,953,000

19 Retirement benefit schemes (Continued)

The fair value of plan assets at the reporting period end was as follows:

	2022	Restated 2021
	£	£
Equity instruments	16,048,510	14,823,600
Property	1,676,710	1,572,200
Bonds	5,269,660	4,716,600
Cash	958,120	1,347,600
	23,953,000	22,460,000

The asset split is the latest that has been provided and allows for index returns, where required, on each asset category to determine the split of assets. This has resulted in a restatement of the asset split for the year ended 31 March 2021.

20 Restricted funds

The funds of the charity include restricted funds comprising the following donations and grants received for specific purposes:

	Balance at 1 April 2020 as restated	Movement in funds Incoming resources	Balance at 1 April 2021	Movement in funds Incoming resources	Balance at 31 March 2022
	£	£	£	£	£
Alsop House	373,393	-	373,393	-	373,393

Funds relating to Alsop House were received from the Lottery Community Fund and 92% of the asset value would be repayable to BIG in the event of the disposal of the asset prior to 01 February 2025. The remainder of the funds are not repayable.

21 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:						
Tangible assets	9,146,692	373,393	9,520,085	9,108,992	373,393	9,482,385
Current assets/(liabilities)	380,051	-	380,051	341,498	-	341,498
Long term liabilities	(652,506)	-	(652,506)	(801,728)	-	(801,728)
Provisionsand pensions	(1,613,000)	-	(1,613,000)	(4,270,000)	-	(4,270,000)
	7,261,237	373,393	7,634,630	4,378,762	373,393	4,752,155

22 Financial commitments, guarantees and contingent liabilities

In the 2017/18 financial year, SCCT entered into a lease with Real Estate Investors PLC and Sandwell Valley School (SVS) to act as the guarantor of the rent should the tenant (SVS) fail to pay the rent. The lease runs from 29 September 2016 to 28 September 2041 with a rental charge of £120,000 + VAT per annum.

23 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:

	2022 £	2021 £
Within one year	1,223,892	1,227,332
Between two and five years	4,140,122	4,334,596
In over five years	15,229,470	16,163,589
	20,593,484	21,725,517

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	236,950	228,369

24 Related party transactions

(Continued)

Transactions with related parties

F A Betteridge, S A Rogers, and G Walker were directors of Sandwell Third Age Arts, a charitable company that has subsequently ceased to trade.

During the year the charity recharged expenses of £49,777 (2021: £nil) to Sandwell Third Age Arts.

At 31 March 2022 £nil (2021: £35,000) was due to Sandwell Third Age Arts.

M Hall and G Walker are both directors of Sandwell Valley School Limited.

During the year the charity recharged expenses totalling £12,821 (2021: £232,728) to Sandwell Valley School Limited. At 31 March 2022 £110,447 (2021: £97,627) was due from Sandwell Valley School Limited.

25 Cash generated from operations

	2022	2021
	£	£
Deficit for the year	(74,525)	(84,253)
Adjustments for:		
Investment income recognised in statement of financial activities	(304)	-
Gain on disposal of tangible fixed assets	-	(4,504)
Difference between pension charge and cash contributions	300,000	192,000
Movements in working capital:		
Decrease/(increase) in debtors	847,124	(672,297)
Increase in creditors	79,126	35,755
(Decrease) in deferred income	(343,907)	(156,086)
Cash generated from/(absorbed by) operations	807,514	(689,385)

THE SANDWELL COMMUNITY CARING TRUST

England & Wales - Charity number 1086162

Accounts

Charity registration number 1086162

Company registration number 03286106 (England and Wales)

SANDWELL COMMUNITY CARING TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr F A Betteridge	
	Mrs S A Rogers	
	Mr G Walker	(Appointed 1 December 2020)
	Mrs M Hall	(Appointed 12 July 2021)
Secretary	Mrs Tracy Graham	
Charity number	1086162	
Company number	03286106	
Principal address	9th Floor West Plaza 144 High Street West Bromwich West Midlands B70 6JJ	
Registered office	9th Floor West Plaza 144 High Street West Bromwich West Midlands B70 6JJ	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
Bankers	Barclays Bank Plc - Dudley 47 High Street Dudley West Midlands DY1 1PP	
Solicitors	Wright Hassal LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF	

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
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SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's constitution, the Companies Act 2006 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 2015)"

Objectives and activities
The Trusts objectives are to promote the relief of and provide relief, support and assistance to individuals who, by reason of old age, mental illness or physical or learning disabilities, require special care and attention.

To promote, in particular, the relief of and support and assistance to beneficiaries who are resident in or associated to Sandwell MBC, Walsall MBC, Dudley MBC and Torbay Care Trust or any of its neighbouring councils.

There has been no change in these during the year.

Obviously, during the financial year under review, the covid-19 pandemic has loomed large over the social care sector. Despite the significant challenges that the pandemic has posed, and continues to pose, to the sector the Trust has managed to meet the objectives highlighted above. Throughout the year the Trust has successfully kept its residents, tenants and employees safe.

The principal activity of the Trust is to provide health and social care services to older people and adults with learning and or physical disabilities. The Trust currently provides residential care for over 110 older people, 87 of whom are suffering with dementia, 150 days of day care each week for adults with profound learning and or physical disabilities and care and support to over 280 adults with learning disabilities in supported living. These numbers have remained consistent throughout previous financial years and has meant that the Charity has experienced very high levels of occupancy and demand for its services. Despite the pandemic adversely impacting upon occupancy, to a degree, during the financial year under review, occupancy levels have not been significantly reduced.

One of the continuing major objectives during the financial year has been to fully understand the implications of austerity on Local Authority income and the impact that this would have on the fees paid for the delivery of Adult Social Care. In addition, the Charity will need to continue to clarify the implications of the continued rise in the National Minimum Living Wage, particularly in the context of on-going austerity.

The Charity will work with HMRC to fully understand the implications of the new "sleep in regulations", on the Adult Social Care sector. Public benefit is the provision of housing, care and support to older people, and adults with learning and or physical disabilities.

There is no restriction on who can access the services provided by Sandwell Community Caring Trust. All the care packages which are provided are based on the clinical and social needs of each individual.

Admission to Sandwell Community Caring Trust's services normally takes place after a multi- disciplinary needs assessment, which involves the prospective service user and their family.

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

The services provided by Sandwell Community Caring Trust are compliant with the Commission for Racial Equalities Code of Practice.

Due to the nature of the services that it provides the charity does not rely on the use of volunteers.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

The Trust has continued to maintain and fulfil its contractual obligations and achieved its targets securing ongoing provision for the care of vulnerable people.

Two of the Trust's main key performance indicators are the level of employee sickness and staff turnover. Employee sickness levels are monitored through the year, and in the previous year each employee had taken on average less than 1 day of sick leave. This year, mainly due to Covid-19 related sickness absence and the requirement to self-isolate, this figure has significantly increased

The staff turnover for this year was 22% (2020:17%) which was an increase of 5 percentage points compared to last year. This increase can be directly attributed to the pandemic and people leaving the sector due to the perceived risk and the challenging operating environment.

Both of these indicators not only have a financial impact on the Trust but also impact on the quality of care that is provided to its service users. These levels have remained constant over the years which contribute to a consistent happy work force that provide a high quality of care to the vulnerable people that deserve to receive continuity from the service they need.

Despite the difficulties experienced during the pandemic, the Trust successfully maintained the standard of care provision without recourse to the use of staffing agencies. As recognised in 'Financial Review' below, this has not been without repercussions for the financial performance of the Trust

The quality of the care that the Trust provides is measured and regulated by the Care Quality Commission and is reflected in their inspection reports on the Trust's services.

Financial review

The company's balance sheet as detailed on page 11 shows that the funds before the 2021 defined benefit pension scheme liability amounted to £9,022,155 (2020: £8,914,408). The closing position including the pension scheme liability at 31 March 2021 was £4,752,155 (2020: £6,750,408).

It is the policy of the Charity that unrestricted funds before the defined pension scheme liability, which have not been designated for a specific use, should be maintained at a level equivalent to 10% of incoming resources from charitable activities. The Trustees considers that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

Covid-19 has clearly had an adverse impact, although mitigated to a degree by various government funding schemes, on the Trust's financial performance as many of our costs have been increased due to testing, staff self-isolating and sickness absence all of which have been beyond the Trust's control. Employment costs have also increased as the Trust has endeavoured to maintain a consistent and high-quality care provision for its vulnerable residents and clients by utilising its own staffing levels, thus precluding the need to use the services of staffing.

Having developed a clear understanding of the implications of austerity on local authority contracts and the impact of the continued rise in the National Minimum Living Wage, as reported last year, the Charity introduced changes in the terms and conditions of its employees that reflect the new financial environment within which it operates. These changes were implemented in October 2018 and the Charity continues to assess the impact of these changes and review its financial position, in the context of its operating environment, on a regular basis.

It is the policy of the Charity that unrestricted funds before the defined pension scheme liability, which have not been designated for a specific use, should be maintained at a level equivalent to 10% of incoming resources from charitable activities. The Trustees considers that reserves at this level will ensure that, in the event of a significant reduction in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

The charity currently has no long-term investments but takes advantage of short-term cash flow situations by placing funds with institutions approved by the Board.

The Trustees have 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.

The Trustee Board is responsible for overseeing the charity's risk management activities. Detailed consideration of risk is delegated to the Senior Management Team, who are continually reviewing this matter and reporting thereon to the Trustee Board. Through the risk management process established for the charity, the Trustees are satisfied that the major risks have been identified and processes for addressing them have been implemented. It is recognised that any control systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As noted above, the defined benefit pension scheme deficit has had a significant impact on the net assets of the Trust and is based on the valuation provided by the Scheme's actuaries in accordance with Generally Accepted Accounting Practice. The key risk to the Trust surrounding the pension deficit is the funding of future contributions for both Schemes in place. This is mitigated by the fact that both Schemes no longer admit new members and there is an agreement with Sandwell MBC that any employer contributions above the agreed 17.9% relating to the EMI Scheme will be paid by the Council. Furthermore, when an employer applies for admitted body status, the WMPF requires a guarantor or a Bond to cover any costs in the event of insolvency. The WMPF has procedures in place to mitigate the risks of rogue employers.

The Trustee Board is aware of the combined risks posed by austerity on local authority contracts and the increase in the National Minimum Living Wage. They have clear plans which will address these risks and ensure the continued sustainability of the Charity.

The Trustees would also like to report on the outcome of a CQC inspection of its supported living services in July 2021. Whilst this inspection falls outside of the period covered in this report the Trustees feel its important information to place on record.

The inspection rated SCCT's supported living services as 'inadequate.' This rating came as a complete surprise and in response a detailed action plan, to address all the concerns noted in the report, was implemented. This action plan was accepted by CQC and all the local authorities which commissioned our supported living services. Following the implementation of the action plan our supported living services were re-inspected in February 2022. This follow up inspection report recognised all the improvements that had been made and noted the very positive comments made by our service users and their families and other professionals working in partnership with SCCT. The overall rating was 'requires improvement'.

The inadequate rating from the report in July 2021, whilst very disappointing, did not represent any risk to the sustainability to SCCT as a business. All the key commissioners of our services remained confident in the services we provided and left all their contracts in place. Our commissioners worked with us to ensure that we addressed the issues highlighted by CQC.

Sale and leaseback agreements

During the financial year under review, the Trust entered into two sale and leaseback agreements. The first of these agreements, which is with TP REIT PROPCO 3 Limited was signed on 23rd July 2020 and covers an initial contractual term of 20 years. The agreement includes a call option for the Trust, as the tenant, to require the landlord to grant a further lease for a further term of 20 years after the expiry of the initial contractual term.

The second sale and lease back agreement, which is with SHP Investments 2 Limited (Civitas) was signed on 31st March 2021 and covers an initial contractual term of 20 years. The agreement includes a call option for the Trust, as the tenant, to require the landlord to grant a further lease for a further term of 5 years after the expiry of the initial contractual term. This agreement relates to properties that the Trust originally leased from Bond Wolfe Limited and were not previously owned by the Trust. Bond Wolfe Limited transferred the properties to the Trust. The Trust was designated as the 'intermediate seller' and transferred the freehold interest to SHP Investments 2 Limited (Civitas). The properties are now leased from Civitas on the same terms as the agreement that was in place with Bond Wolfe Limited. As part of the agreement the Trust secured the freehold interest in, the previously leased Portland House Day Centre without paying any financial consideration, this has been shown as part of the disposal proceeds.

The Trust is always looking towards the future, seeking out new prospects and contracts to enable them to continue to deliver services to those most needy.

The Trust is in a position to take advantage of any opportunities for expansion particularly through the transfer of providers from local authorities, as austerity and budget deductions fully impact on local authority expenditure on adult social care.

Structure, governance and management

The Charity is a charitable company limited by guarantee and was set up on 01 April 1997. It is governed by a Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr F A Betteridge	
Mrs S A Rogers	
Mr G Walker	(Appointed 1 December 2020)
Mrs M Hall	(Appointed 12 July 2021)

The Board of Trustees may fill vacancies arising during the year by appointing Trustees themselves but any Trustees so appointed shall retain their office only until the next Annual General Meeting when they shall be eligible for re-election.

Any appointments made are with due regard to the broad range of relevant skills required by the Board of Trustees and the specialist skills and experience offered by the applicant Trustee.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The governing body of the Charity is the Board of Trustees which comprises 4 members and has met 4 times a year together with the Senior Management Team.

The Chief Executive has been appointed by the Trustees to manage the day to day operations.

Individual Trustee training is undertaken by Trustees on a needs basis but training for the full Board of Trustees and Senior Management Team takes place at least annually and focuses on governance issues.

The Trustees are responsible for determining the pay and conditions of key management personnel. This is done in consultation with an external human resources company who provide advice on comparative positions across the sector.

The Chief Executive Officer is responsible for recommending any changes in pay and conditions of the remainder of the paid service.

STAA - Sandwell Third Age Arts is a Registered Charity that is governed by several of The Trusts Board of Trustees. Transactions with the Charity in the year have been disclosed in a note to the accounts.

Employee involvement
The Charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Charity continues and that the appropriate training is arranged. It is the policy of the Charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor
A resolution proposing that CK Audit are reappointed as auditors of the company will be put to the members.

Disclosure of information to auditor
We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

-there is no relevant audit information of which the company's auditors are unaware; and

-we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.

Mr F A Betteridge

Dated: 13 June 2022

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees (who are also directors of Sandwell Community Caring Trust 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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.

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SANDWELL COMMUNITY CARING TRUST

Opinion

We have audited the financial statements of Sandwell Community Caring Trust (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 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 liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity by discussion and enquiry with the directors and management team and our general knowledge and experience of the charity.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP, legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators.

Audit response to risks identified

We assessed the susceptibility of the Charity's' financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by management in accounting for long term construction contracts including recognition of income and estimation of costs to complete;
- Identifying and testing journal entries;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

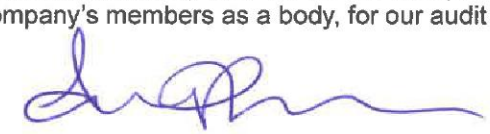
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Frances Clapham (Senior Statutory Auditor)
for and on behalf of CK Audit

13 June 2022

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	3	746,712	-	746,712	42,744
Charitable activities	4	13,869,259	-	13,869,259	13,749,081
Total income		14,615,971	-	14,615,971	13,791,825
Expenditure on:					
Charitable activities	5	14,540,553	-	14,540,553	13,037,340
Other	9	159,671	-	159,671	369,833
Total resources expended		14,700,224	-	14,700,224	13,407,173
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(84,253)	-	(84,253)	384,652
Other recognised gains and losses					
Actuarial (loss)/gain on defined benefit pension schemes		(1,914,000)	-	(1,914,000)	1,325,000
Net movement in funds		(1,998,253)	-	(1,998,253)	1,709,652
Fund balances at 1 April 2020		6,377,015	373,393	6,750,408	5,040,756
Fund balances at 31 March 2021		4,378,762	373,393	4,752,155	6,750,408

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		9,482,385		16,059,884
Current assets					
Debtors	13	2,600,668		1,928,371	
Cash at bank and in hand		2,011,573		66,635	
		4,612,241		1,995,006	
Creditors: amounts falling due within one year	15	(4,270,743)		(2,384,104)	
Net current assets/(liabilities)			341,498		(389,098)
Total assets less current liabilities			9,823,883		15,670,786
Creditors: amounts falling due after more than one year	16		(801,728)		(6,756,378)
Net assets excluding pension liability			9,022,155		8,914,408
Defined benefit pension liability	17		(4,270,000)		(2,164,000)
Net assets			4,752,155		6,750,408
Income funds					
Restricted funds	18		373,393		373,393
Unrestricted funds			4,378,762		6,377,015
			4,752,155		6,750,408

The financial statements were approved by the Trustees on 13 June 2022

Mr F A Betteridge
Trustee

Company Registration No. 03286106

SANDWELL COMMUNITY CARING TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(689,385)		683,922
Investing activities					
Purchase of tangible fixed assets		(6,540,500)		-	
Proceeds on disposal of tangible fixed assets		13,122,503		-	
Net cash generated from/(used in) investing activities			6,582,003		-
Financing activities					
Repayment of bank loans		(3,947,680)		(523,676)	
Net cash used in financing activities			(3,947,680)		(523,676)
Net increase in cash and cash equivalents			1,944,938		160,246
Cash and cash equivalents at beginning of year			66,635		(93,611)
Cash and cash equivalents at end of year			2,011,573		66,635

1 Accounting policies

Company information

Sandwell Community Caring Trust is a private company limited by guarantee incorporated in England and Wales It is a registered charity in England and Wales. Its charity number is 1086162.

1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's constitution, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

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. 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.

At the height of the pandemic all care providers were under extreme pressure to maintain services. Throughout the pandemic SCCT was able to deliver all the hours of care which were expected of it whilst using its own staff and without recourse to agency staff. SCCT have experienced increased costs across the board, during what have been unprecedented times, but have managed to limit the financial deficit incurred to a relatively small amount and maintain healthy bank balances.

The Charity is conscious of continuing cost pressures across the sector and will, therefore, continue to restrict costs as far as possible whilst seeking new income sources that are consistent with its charitable objectives. The Trust will also continue to lobby local authorities regarding the fair cost of care and participate in the fair cost of care process initiated by local authorities.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

1 Accounting policies **(Continued)**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1 Accounting policies **(Continued)**

1.5 Resources expended

All expenditure is accounted for on an accruals basis. Salaries and central overhead costs are apportioned between charitable activities and governance costs based on estimate of staff time attributable to each.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and cash associated with the strategic management of the charity.

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:

Land and buildings	over 50 years

Land is not depreciated.

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 the statement of financial activities.

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.

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 **Accounting policies** **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

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

During the year the Trust operated two LGPS defined benefit pension schemes and a defined contribution pension scheme.

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

Neither of the defined benefit schemes admit new members. New members of staff are admitted into the defined contribution scheme on their employment with the Charity.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

1 Accounting policies **(Continued)**

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Termination benefits are employee benefits provided in exchange for the termination of an employee's involvement in the Charity. Redundancy costs are recognised immediately once the Charity is demonstrably committed to terminate employment.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

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.

Critical judgements

Defined benefit pension scheme

The charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 18 for the disclosures relating to the defined benefit scheme.

Useful economic lives of non-current assets

The useful economic lives of non-current assets have been derived from the judgement of the Trustees, using their best estimate of write-down period.

3 Donations and legacies

	Unrestricted funds	Total
	2021	2020
	£	£
Donations and gifts	42,744	42,744
Covid-19 government support	703,968	-
	746,712	42,744

Grafton property has been provided for use rent free. The market rate of rent has been treated as a donated service and is included above.

4 Charitable activities

	Residential and Daycare services	Residential and Daycare services
	2021	2020
	£	£
Residential care home fees	13,869,259	13,749,081

5 Charitable activities

	Residential and Daycare services 2021 £	Residential and Daycare services 2020 £
Staff costs	10,648,538	10,083,239
Heat and light	219,576	142,380
Rent, rates and insurance	865,286	562,320
Telecommunications	4,491	7,369
Other staff costs	34,500	10,321
Motor and travel costs	53,760	63,835
Repairs and renewals	328,527	438,534
Cleaning, waste and pest control	161,204	151,005
Other office costs	84,676	80,243
Printing, postage and stationery	10,610	2,844
Provisions	252,816	283,373
	12,663,984	11,825,463
Share of support costs (see note 6)	1,815,665	1,137,491
Share of governance costs (see note 6)	60,904	74,386
	14,540,553	13,037,340

6 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	983,984	-	983,984	575,357
Profit on disposal of tangible assets	(4,504)	-	(4,504)	-
Heat and light	12,024	-	12,024	26,385
Rent, rates and insurance	300,451	-	300,451	265,066
Telecommunications	40,332	-	40,332	20,646
Other staff costs	3,276	-	3,276	8,942
Motor and travel	28,047	-	28,047	29,156
Repairs, renewals and equipment rental	48,544	-	48,544	42,364
Cleaning waste and pest control	59,179	-	59,179	1,152
Other office costs and sessionals	320,937	-	320,937	140,763
Printing, postage and stationery	22,687	-	22,687	25,975
Provisions	708	-	708	1,685
Audit fees	-	17,430	17,430	17,880
Legal and professional	-	43,474	43,474	44,998
Citation fees	-	-	-	11,508
	1,815,665	60,904	1,876,569	1,211,877
Analysed between				
Charitable activities	1,815,665	60,904	1,876,569	1,211,877

7 Auditor's remuneration

Fees payable to the Charity's auditor and associates:	2021	2020
	£	£
Audit of the Charity's annual accounts	13,175	12,150
Non-audit services		
Other assurance services	2,350	2,350

8 Trustees

As of 1 December 2020 G Walker became a Trustee of Sandwell Community Caring Trust. Remuneration received from that date up until the year end was £40,129. This was paid to him for his role as Chief Executive, and not as a Trustee of the Charity.

9 Other

	2021	2020
	£	£
Financing costs	159,671	369,833
	159,671	369,833

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Care	462	465
Finance and adminstration	11	12
Total	473	477

Employment costs	2021 £	2020 £
Wages and salaries	10,189,597	9,117,253
Social security costs	786,214	700,664
Other pension costs	656,711	840,679
	11,632,522	10,658,596

Included in other pension costs above is an adjustment of £192,000 (2020: £402,000) relating to the increased pension costs as a result of the 2020 'Pension Expense Calculation' in respect of pension benefits provided by the Local Government Pension Scheme.

The amounts above relate to shortfall in contributions as advised by the Actuary of £131,000 (2020: £318,000), interest costs advised by the Actuary of £48,000 (2020: £72,000) and admin costs advised by the Actuary of £13,000 (2020: £12,000).

Included in wages and salaries above is severance pay of £16,209.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£70,001 - £80,000	1	-
£120,001 - £135,000	1	1

11 Taxation

The company is a registered charity and under the provisions of section 505, Income and Corporation Taxes Act 1988, has no liability to taxation.

12 Tangible fixed assets

	Land and buildings £
Cost	
At 1 April 2020	16,059,884
Additions	6,540,500
Disposals	(13,117,999)
At 31 March 2021	9,482,385
Depreciation and impairment	
Depreciation charged in the year	142,236
Revaluation	(142,236)
Carrying amount	
At 31 March 2021	9,482,385
At 31 March 2020	16,059,884

Freehold land and buildings with a carrying amount of £7,429,381 (2020 - £14,426,879) have been pledged to secure borrowings of the Charity. The Charity is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Depreciation on freehold property is reversed as the trustees feel that significant replacement and maintenance works are carried out on an annual basis and therefore there is no material change to the net book value at the year end.

13 Debtors

Amounts falling due within one year:	**2021** £	**2020** £
Trade debtors	1,791,570	1,738,277
Other debtors	649,092	25,769
Prepayments and accrued income	160,006	164,325
	2,600,668	1,928,371

14 Loans and overdrafts

	2021	2020
	£	£
Bank loans	3,646,710	7,594,390
Payable within one year	2,844,982	838,012
Payable after one year	801,728	6,756,378
Amounts included above which fall due after five years:		
Payable by instalments	66,667	4,693,915

The long-term loans are secured by fixed charges against the properties to which they relate.

The interest rates of the loans vary from 3% to 7.5% and repayment terms vary from 2022 to 2038.

The charity was in breach of terms for £2,786,547 of loans payable to Unity Trust Bank at the balance sheet date. Details of the breaches relate to the requirement to provide financial information within stated timescales, repayment covenant and interest cover covenant which have not been met in the year to 31 March 2021. Prior to the approval of the accounts, the charity received a letter from the bank acknowledging the breaches, whilst this was not a waiver, the letter stated that it was not the present intention of the bank to exercise any of its rights in relation to the breaches.

15 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	14	2,844,982	838,012
Other taxation and social security		223,834	179,659
Trade creditors		125,035	154,962
Other creditors		2,593	8,437
Accruals and deferred income		1,074,299	1,203,034
		4,270,743	2,384,104

16 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Bank loans	14	801,728	6,756,378

17 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £225,985 (2020: £240,679)

Defined benefit schemes

The charity operates a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension plan is funded by the payment of contributions and assets of the plan are held in a separately administered fund.

The most recent comprehensive actuarial valuation of pension plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019.

Key assumptions

	2021 %	2020 %
Discount rate	2	2.35
Expected rate of increase of pensions in payment	2.8	1.9
Expected rate of salary increases	3.8	2.9

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021 Years	2020 Years
Retiring today		
- Males	21.6	21.9
- Females	23.9	24.1
Retiring in 20 years		
- Males	23.4	23.8
- Females	25.8	26

Amounts recognised in the profit and loss account:

	2021 £	2020 £
Current service cost	345,000	373,000
Net interest on defined benefit liability/(asset)	48,000	72,000
Total costs	393,000	445,000

17 Retirement benefit schemes **(Continued)**

Amounts taken to other comprehensive income:

	2021 £	2020 £
Actual return on scheme assets	(3,649,000)	791,000
Less: calculated interest element	445,000	460,000
Return on scheme assets excluding interest income	(3,204,000)	1,251,000
Actuarial changes related to obligations	5,393,000	(2,376,000)
Other gains and losses	-	(845,000)
Total costs/(income)	2,189,000	(1,970,000)

The amounts included in the balance sheet arising from the Charity's obligations in respect of defined benefit plans are as follows:

	2021 £	2020 £
Present value of defined benefit obligations	26,730,000	21,206,000
Fair value of plan assets	(22,460,000)	(19,042,000)
Deficit in scheme	4,270,000	2,164,000

Movements in the present value of defined benefit obligations:

	2021 £
Liabilities at 1 April 2020	21,206,000
Liabilities assumed in a business combination	(275,000)
Current service cost	345,000
Benefits paid	(497,000)
Contributions from scheme members	65,000
Actuarial gains and losses	5,393,000
Interest cost	493,000
At 31 March 2021	26,730,000

The defined benefit obligations arise from plans funded as follows:

	2021 £
Wholly unfunded obligations	214,000
Wholly or partly funded obligations	26,516,000
	26,730,000

17 Retirement benefit schemes (Continued)

Movements in the fair value of plan assets:

	2021 £
Fair value of assets at 1 April 2020	19,042,000
Interest income	445,000
Return on plan assets (excluding amounts included in net interest)	3,204,000
Benefits paid	(497,000)
Contributions by the employer	214,000
Contributions by scheme members	65,000
Other	(13,000)
At 31 March 2021	22,460,000

The fair value of plan assets at the reporting period end was as follows:

	2021 £	2020 £
Equity instruments	13,232,000	10,840,000
Property	1,623,000	1,694,000
Government bonds	2,236,000	2,213,000
Other bonds	863,000	796,000
Cash	1,342,000	683,000
Other	3,164,000	2,816,000
	22,460,000	19,042,000

18 Restricted funds

The funds of the charity include restricted funds comprising the following donations and grants received for specific purposes:

	Balance at 1 April 2019 as restated	Movement in funds: Incoming resources	Balance at 1 April 2020	Movement in funds: Incoming resources	Balance at 31 March 2021
	£	£	£	£	£
Alsop House	373,393	-	373,393	-	373,393

Funds relating to Alsop House were received from the Lottery Community Fund and 92% of the asset value would be repayable to BIG in the event of the disposal of the asset prior to 01 February 2025. The remainder of the funds are not repayable.

19 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	9,108,992	373,393	9,482,385	15,686,491	373,393	16,059,884
Current assets/ (liabilities)	341,498	-	341,498	(389,098)	-	(389,098)
Long term liabilities	(801,728)	-	(801,728)	(6,756,378)	-	(6,756,378)
Provisionsand pensions	(4,270,000)	-	(4,270,000)	(2,164,000)	-	(2,164,000)
	4,378,762	373,393	4,752,155	6,377,015	373,393	6,750,408

20 Financial commitments, guarantees and contingent liabilities

In the 2017/18 financial year, SCCT entered into a lease with Real Estate Investors PLC and Sandwell Valley School (SVS) to act as the guarantor of the rent should the tenant (SVS) fail to pay the rent. The lease runs from 29 September 2016 to 28 September 2041 with a rental charge of £120,000 + VAT per annum.

21 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	1,227,332	834,333
Between two and five years	4,334,596	2,772,006
In over five years	16,163,589	4,286,158
	21,725,517	7,892,497

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	228,369	221,803

22 Related party transactions **(Continued)**

Transactions with related parties

During the year the charity donated £nil (2020: £35,000) to Sandwell Third Age Arts, a charitable company who's directors are the same as this organisation.

During the year the charity recharged expenses totalling £nil (2020: £33,796) to Sandwell Third Age Arts.

At 31 March 2021 £nil (2020: £33,796) was due from Sandwell Third Age Arts and £35,000 (2020: £35,000) was due to Sandwell Third Age Arts.

During the year the charity recharged expenses totalling £232,728 (2020: £959,283) and received income of £nil (2020: £18,000) to Sandwell Valley School, a charitable company where a number of directors are members of the senior management team of this organisation. At 31 March 2021 £97,627 (2020: £73,803) was due from Sandwell Valley School.

23 Cash generated from operations

	2021 £	2020 £
Deficit for the year	(84,253)	384,652
Adjustments for:		
Gain on disposal of tangible fixed assets	(4,504)	-
Difference between pension charge and cash contributions	192,000	402,000
Movements in working capital:		
(Increase) in debtors	(672,297)	(158,001)
(Decrease)/increase in creditors	(120,331)	55,271
Cash (absorbed by)/generated from operations	(689,385)	683,922