

# **THE GLOUCESTERSHIRE CARE PARTNERSHIP**

**Annual Report and Financial Statements**

**Year Ended 31 March 2024**

**Charity No: 1108381**

**Company No: 04667322**

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**Report of the Trustees for the year ended 31 March 2024**

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2024.

**Reference and Administrative Details**

Director/Trustees

Daniel Hayes (The Orders of St John Care Trust)  
Mark Lee (The Orders of St John Care Trust) (appointed 1 June 2023)  
Michael Stredder (The Orders of St John Care Trust) (resigned 22 March 2024)  
Tracey Wardle (The Orders of St John Care Trust)  
Richard Hill (bpha)(appointed 1 May 2023)  
Paul Cook (bpha)  
Julian Pearce (bpha)  
Philippa Spratley (bpha)  
Hilary Morris (The Orders of St John Care Trust) (appointed 22 March 2024)

Secretary                      Joanna Downing

Registered Office      Eyre Court  
Whisby Way  
Lincoln  
LN6 3LQ

Auditors                      BDO LLP  
Chartered Accountants  
Two Snow Hill  
Birmingham  
B4 6GA

Bankers                      Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

**Report of the Trustees for the year ended 31 March 2024 (continued)**

**Strategic Report**

**Structure, Governance and Management**

The Gloucestershire Care Partnership (the charity) is a charitable company limited by guarantee (registered company number 04667322, registered charity number 1108381) and was incorporated on 17 February 2003. It is governed by articles of association which were last amended on 4 November 2004 and adopted on 20 December 2004.

**Organisation**

A Board of Trustees, which meets periodically, administers the charity. The Orders of St John Care Trust manage the day-to-day operations of the charity under a management contract dated 29 April 2005. Each member has the power to appoint up to four Trustees to the Board and the Board is able to appoint up to two independent Trustees. During the year to 31 March 2024 both The Orders of St John Care Trust and bpha had four Trustees each and there were no independent Trustees. Trustee induction and training includes ensuring all Trustees have a working knowledge of the Charity and its charitable purpose, any current issues the Charity is facing and an overview of the financial position.

**Investment Powers**

Under the memorandum and articles of association, the charity has the power to make any investments which the Trustees see fit.

**Objectives and Public Benefit**

The Charity's objectives are to carry out in the County of Gloucestershire the following activities:

- To provide care to elderly people in Gloucestershire through care homes specialising in residential, mental health and nursing care, together with intermediate, domiciliary and day care; and
- To provide, within Gloucestershire, housing accommodation and assistance to help house people who are elderly or disabled and associated facilities and amenities for such people or for the relief of the aged, disabled, handicapped (whether physically or mentally) or chronically sick people and provision of care in the community and in hospitals and at home; and
- To further such general charitable objects as the Trustees may determine.

The Trustees have taken account of the Charity Commission guidance on Public Benefit and Fee-charging and consider that the Trust objectives are for the public benefit. The principal reasons are:-

- 100% of our service users are contracted by Local Authorities or the NHS.
- Surpluses are reinvested in subsidising improved services or accommodation for the service users.
- Other services are provided at either low or no cost to certain service users.
- The services are available to any eligible person.

**Report of the Trustees for the year ended 31 March 2024 (continued)**

**Related Parties**

The Gloucestershire Care Partnership (GCP) is a charitable care trust established in 2004 by The Orders of St John Care Trust (OSJCT), a leading national provider of care services for older people and bpha, a major regional registered social landlord. It was set up to operate care homes for older people transferred to GCP from Gloucestershire County Council (GCC) under an initial block contract to 2035. The transfer of the initial 21 care homes was completed in May 2005.

GCP wholly subcontracts the care of residents in the care homes to OSJCT. OSJCT is the registered care provider of the homes and employs the employees working in the homes and at a support level in the regional office. Similarly, GCP subcontracts the development and capital funding of new care homes to bpha. The original care homes transferred to GCP are leased from GCC until 30 April 2025 and the four homes that have been developed under the terms of the re-provisioning contract run until 2035.

**Funding Sources and Expenditure**

The principal funding source is fees received from Gloucestershire County Council for its Local Authority funded residential, dementia and nursing residents. Fees from self-funders residing at the homes pass directly to OSJCT as care provider. Expenditure primarily consists of care fees related to providing the care which is paid to OSJCT and rent payable in the main to bpha.

The accounting treatment adopted since the Charity was first established reflects the intention of the partners, OSJCT and bpha, and of the other stakeholders principally including GCC, that all activity in relation to provision of services in the homes operated by the Charity should be reflected in the Charity's financial statements. Self-fund income is treated as agency income so is not included in the accounts. Beds which are not purchased by GCC and beds that fall outside of the contract with GCC are made available to private self-funding residents in a direct contract with OSJCT. In previous years the Charity's strategic report made some reference to the key performance metrics of the homes. The Trustees recognise that it is not possible by reference to the GCP financial statements for external stakeholders to understand the underlying performance of the homes since most of the operating costs and all of the self-funder income are borne by OSJCT and are only recognised in OSJCT's financial statements. The Trustees have agreed on the accounting treatment and this is consistent with the prior year, they will however keep this under review for appropriateness.

The Trustees recognise that more than 15 years have elapsed since the Charity commenced operations. During that period the operating environment, including the needs and expectations of elderly people has changed. The original intentions of the partners have in some cases been superseded with some homes continuing to operate beyond their originally anticipated lifespan. The partners continue to review all operational matters including the issues relating to an ageing estate.

## **Report of the Trustees for the year ended 31 March 2024 (continued)**

### **Compliance with Charity Governance Code**

The Board notes its support of the code of governance for charities, including the requirements for larger, more complex charities. Both members have adopted codes of governance relevant to their sectors: bpha applies the principles of good governance outlined in the National Housing Federation Code of Governance 2020 and OSJCT applies the Charity Governance Code. A review was undertaken during 2020 to assess GCP's compliance with the code and this was reported on in the 2019/20 annual report. It was found that although the key outcomes in respect of each of the principles are met, full compliance with all recommended practices within the code was not achievable. Certain parts of these practices are not applicable, for instance in relation to staffing as GCP itself does not employ any staff. Practice diverges in other areas, sometimes as a direct consequence of the charity's joint venture structure which mainly affects the Board Effectiveness and Equality, Diversity & Inclusion principles.

### **Statement of adherence to the Fundraising Regulator Code**

The Charity seeks to comply fully with all regulation and relevant codes of practice. Fundraising is not a material income stream for the Charity and therefore is not required to report under section 162A of the Charities Act 2011.

### **Activities and Performance**

The Charity currently operates nine care homes across Gloucestershire with a total of 537 beds. The average occupancy during the year (GCC and self-funders) was 89.3% (2023: 78.4%).

The contract between the parties assumed a level of re-provision of all older services into new fit for purpose homes planned and agreed through an Estates Committee. The estates strategy was paused in recent years by GCC, which impacted the trading and performance of some of the older homes. The Estates Committee of GCC and GCP was re-established during 2017/18 for the specific objective of reviewing and agreeing the future of the estate. GCC completed its care home strategy for the future during 2021/22 which recognised insufficient supply in some areas and oversupply in others. There is also a move away from residential services as individuals wish to stay at home and more of a focus on specialist services such as dementia and continued provision of nursing services. In recent years, OSJCT, as care provider, has worked with GCC to provide short stay units to help individuals move from hospital to home via a short period in a setting such as a care home or reablement service or indeed a time of support in such a setting ensuring avoidance of having to go into a hospital. Whilst most of these units have been decommissioned in the last 12 months, OSJCT has continued to work with GCC on the design of more complex nursing services. The aim is to implement these services in suitably configured GCP homes.

In September 2022 after agreement from Gloucestershire County Council (GCC) Cabinet, four of the older homes within the GCC contract closed, leaving a total of nine homes operating within the contract, of which five are older. No homes closed during this financial year.

**Report of the Trustees for the year ended 31 March 2024 (continued)**  
**Activities and Performance (continued)**

GCC remain committed to investing in and funding the refurbishment of the older homes under an agreement made in 2019. Refurbishment work at Paternoster completed during FY23, with works starting on three of the remaining four homes during 2024. The remaining refurbishment is due to start shortly. All refurbishments are expected to be completed during the next financial year.

The care contract for the older homes ends in March 2025. GCP, in conjunction with OSJCT and bpha, has decided not to continue to provide care services in these homes beyond this date on the current contractual arrangements. GCC's Cabinet has agreed to tender the care services to the wider market. GCP will decide whether to participate in the tender process once it is published. Given the timescales to run a competitive procurement process and transition services safely, GCP with OSJCT, as care provider, has agreed to continue to provide services until the end of January 2026. GCP will ensure continuity of care and high standards of care delivery are maintained for all residents in the homes prior to any transfer to a new provider.

Whilst 2022/23 was a challenging time for the UK employment market and care providers alike, the investment OSJCT made in overseas recruitment, pay rates and wellbeing strategies has had a beneficial impact during this financial year. Employee retention rates have increased and reliance on agency workers has reduced significantly. For the third consecutive year, the Charity (OSJCT) has implemented a minimum pay rate equal to the Real Living Wage to remain competitive and to attract more employees who may work in other sectors.

The demand for elderly care remains strong. The capacity in FY24 reduced by 88 beds (15%) because of the 4 homes closures in September 2023. Demand for GCC replacement has been strong, with some homes exceeding the 60% capacity allocated to the block contract. On a like for like basis, this has led to a greater use of beds by GCC across the GCP homes during the year, with average occupancy at 97.8%.

**Financial Review**

	<b>2024</b>	<b>2023</b>
<b>Financial KPIs</b>	<b>(£'000)</b>	<b>(£'000)</b>
Income	<b>17,087</b>	20,115
Net Income/(Expenditure)	<b>25</b>	(52)
Cash flow	<b>50</b>	54
<b>Operational KPIs</b>		
Occupancy as % of total block places	<b>97.8%</b>	88.2%
Average GCC block beds	<b>346</b>	341

The overall decrease in income is due to the closure of four homes in the previous financial year. Income from charitable activities has decreased by 6.6% to £17.1m (2022/23: £18.3m). The number of GCC funded residents reduced following the home closures with an average of 346 block beds being filled during the year (2023: 341). This was partly offset by local authority fee rate increases of 6.72% (2023: 5.05%). An average of 48 (2022/23: 60) block contract beds were utilised as "D2A" beds located across 4 sites. The contract for two of these sites "D2A" beds ended in 23/24 with the number of beds being reduced to zero across the year in these homes. The number of "D2A" beds

**Report of the Trustees for the year ended 31 March 2024 (continued)**  
**Financial Review (continued)**

available across the 2 remaining sites was 29 by March 2024. GCC was the principal payor for these beds, funded via the NHS, contributing £2.6m (2022/23: £3.4m) of income to GCP.

A surplus has been realised in the financial year due to the reversal of the impairment provision for Jubilee Lodge for £69,819.

**Going Concern**

The Charity shows a deficit on reserves; this is because of the structure of the original contract. GCP Trustees had intended to complete work on the sustainability of GCP during 2023/24 which involves reviewing the structure of the care contract between GCP and OSJCT and the loan agreements with both joint venture partners. Trustees took the decision not to address this until the future of the older homes was agreed. The older homes contract has been extended to the end of January 2026 to support GCC whilst they conduct a re-tendering process for the management of the older homes. Further consideration will be given to contract structure during the next financial year with any changes which may be made in conjunction with the reduction in the size of the GCP contract. Financial support will be provided for a period of at least 12 months from the date of signing the financial statements.

Trustees have considered a number of scenarios with relation to occupancy and the impact on GCP. The contractual structure of GCP is such that the void mechanism ensures GCP can continue to cover all contractual payments. Operating risk sits with the care provider, OSJCT, and therefore Trustees are assured there is limited risk to GCP.

Given the support of the members, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future from the date of signing of these report and financial statements and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Reserves policy and risk management**

The Trustees need to ensure the Charity is sustainable in the future hence the on-going discussions with GCC around care provision and the delivery of a more beneficial model which will assist in reducing the reserves deficit and the ongoing performance of the Charity. At the year-end there was a total deficit of £799,672.

The Trustees have identified and implemented risk management strategies for risks to which the charity could be exposed and established controls and action plans to mitigate these.

The principal risks to which the Charity may be subject:

- **Governance and Management** - the strategic objectives of the Charity are reviewed on a regular basis, to set clear goals for the current year in line with long term aspirations and Charity Commission guidelines, in order to continue to deliver quality care services.
- **Operational Control** – there are established systems to manage and report operating performance to all stakeholders in the Trust, which are reviewed regularly.



- **Financial Controls** – Operational financial management of the Charity is undertaken by OSJCT which is overseen by a Board of Trustees.

## **Report of the Trustees for the year ended 31 March 2024 (continued)**

### **Reserves policy and risk management (continued)**

- **Legal and Compliance Risks** - OSJCT as Care Provider complies with all care homes legislation and other applicable laws relating to the homes or to the provision of services including (without limitation) those relating to health and safety, hygiene, fire, employment and data protection.
- **Estate risk** - delays to the capital investment programme and strategic discussions around the future estate strategy may lead to a degradation in property standards and consequential drop in occupancy. Trustees are working with GCC to accelerate the programme of works for the older homes to mitigate this risk.

Whilst these risks are the broad areas within which Trustees manage risk, the specific risk of local authority contracting is a principal risk for the Charity when assessed for impact and probability. The Charity has a significant contract in place with GCC which accounts for more than 55% of the residents within the Gloucestershire region. GCC's work on their Estate's strategy indicates a reduced requirement for bed-based services in the future. The Charity will ensure it engages fully with GCC during discussions, ensuring flexibility and responsiveness to future commissioning needs and reprovisioning.

### **Trustees' Responsibilities**

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

**Report of the Trustees for the year ended 31 March 2024 (continued)**

**Trustees' Responsibilities (continued)**

- The Trustees have taken all reasonable steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

In preparing this Trustees Report advantage has been taken of the small companies exemption.

The Trustees Annual Report, incorporating the Strategic Report, was approved by the Board on 5 July 2024.

A handwritten signature in black ink, appearing to read 'Dan Hayes', with a stylized flourish at the end.

Daniel Hayes  
Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GLOUCESTERSHIRE CARE PARTNERSHIP**

**Opinion on the financial statements**

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 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.

We have audited the financial statements of The Gloucestershire Care Partnership ("the Charitable Company") for the year ended 31 March 2024 which comprise the Statement of Financial Activities (Incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

**Material uncertainty related to going concern**

We draw attention to note 1b of the financial statements, which refers to the financial position of the Charitable Company, its reliance on financial support continuing to be provided by the members and that the financial support is not a legal commitment. As stated in note 1b, these events or conditions indicate that a material uncertainty exists that may cast doubt on the Charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

### **Other Companies Act 2006 reporting**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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 Directors' 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 directors' report.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the

preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations; and

We considered the significant laws and regulations to be Companies Act 2006, UK GAAP, Charities SORP and tax legislation.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;

## THE GLOUCESTERSHIRE CARE PARTNERSHIP

- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation.

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

## THE GLOUCESTERSHIRE CARE PARTNERSHIP

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

DocuSigned by:

*Kyla Bellingall*

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Kyla Bellingall (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Birmingham, UK

Date: 05 July 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2024**

	Notes	<b>31 March 2024</b> <b>Unrestricted</b> <b>Funds</b> <b>£'000</b>	31 March 2023 Unrestricted Funds £'000
<b>Income from:</b>			
Charitable activities	2	<b>17,073</b>	18,275
Investments (interest)		<b>14</b>	5
Other income	2	-	1,835
<b>Total Income</b>		<b>17,087</b>	20,115
<b>Expenditure on:</b>			
Charitable activities	3	<b>17,062</b>	20,167
<b>Total Expenditure</b>		<b>17,062</b>	20,167
<b>Net Income/(expenditure) for the year</b>		<b>25</b>	(52)
<b>Net movement in funds for the year</b>		<b>25</b>	(52)
<b>Reconciliation of funds:</b>			
Total deficit brought forward		<b>(825)</b>	(773)
<b>Total deficit carried forward at 31 March</b>		<b>(800)</b>	(825)

All of the above results are derived from continuing activities.

All gains and losses recognised in the year are included above.

The notes on pages 19 to 26 form part of these financial statements



**Balance Sheet as at 31 March 2024**

	Notes	<b>2024</b> <b>Unrestricted</b> <b>Funds</b> <b>£'000</b>	2023 Unrestricted Funds £'000
<b>Fixed assets</b>			
Leasehold assets	5	<u>158</u>	97
<b>Current assets</b>			
Debtors: due within one year	6	38	34
Cash and cash equivalents	9	388	338
		<u>426</u>	372
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(1,134)	(1,094)
<b>Net current liabilities</b>		<u>(708)</u>	(722)
<b>Total assets less current liabilities</b>		<u>(550)</u>	(625)
Creditors: due after more than one year	8	(250)	(200)
<b>Net liabilities</b>		<u>(800)</u>	(825)
<b>Funds:</b>			
Unrestricted Funds		(800)	(825)
<b>Total deficit</b>	11	<u>(800)</u>	(825)

The notes on pages 19 to 26 form part of these financial statements.

The financial statements of Gloucestershire Care Partnership (Company Number 04667322) were approved by the Trustees on 5 July 2024 and signed on their behalf by:



Daniel Hayes  
Trustee

**Statement of Cash flows for the year ended 31 March 2024**

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cashflows from operating activities:</b>		
<b>Net cash provided by operating activities</b>	<b>53</b>	<b>69</b>
<b>Cash inflows from investing activities:</b>		
Interest Received	<b>14</b>	<b>5</b>
<b>Net cash from investing activities</b>	<b>14</b>	<b>5</b>
<b>Cash (outflows) from financing activities:</b>		
Interest Paid	<b>(17)</b>	<b>(20)</b>
<b>Net cash (used in) financing activities</b>	<b>(17)</b>	<b>(20)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>50</b>	<b>54</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>338</b>	<b>284</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>388</b>	<b>338</b>
<b>Net Income/(expenditure) for the year</b>	<b>25</b>	<b>(52)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>9</b>	<b>5</b>
Impairment Reversal	<b>(70)</b>	<b>(0)</b>
(Increase)/Decrease in debtors	<b>(4)</b>	<b>203</b>
Increase/(Decrease) in creditors	<b>40</b>	<b>(152)</b>
Increase in provisions	<b>50</b>	<b>50</b>
Interest received	<b>(14)</b>	<b>(5)</b>
Interest paid	<b>17</b>	<b>20</b>
<b>Net cash provided by operating activities</b>	<b>53</b>	<b>69</b>

The notes on pages 19 to 26 form part of these financial statements.

**Notes forming part of the financial statements for the year ended 31 March 2024**

The company is a private company limited by guarantee and is registered in England and Wales. The company's registered address is Eyre Court, Whisby Way, Lincoln, LN6 3LQ. The company's registered number is 04667322.

**1. Accounting policies**

**a. Basis of preparation**

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (second edition revised October 2019) Accounting and Reporting 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, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Financial Statements of the charity, which is a public benefit entity under FRS 102, have been prepared on the historical cost basis. The principal accounting policies adopted in the preparation of the accounts are set out below and any changes restated in the previous year. The accounts are presented in £ sterling.

The financial statements have been prepared up to 31 March 2024 which is within 7 days of the accounting reference date of 28 March 2024.

**b. Going Concern**

The financial statements have been prepared on a going concern basis.

Trustees have considered a number of scenarios with relation to occupancy and the impact on GCP including a full reforecast of the financial position and cashflows for the period to March 2025. This included stress testing the cash position to the extreme of zero occupancy. The contractual structure of GCP is such that the void mechanism ensures GCP can continue to cover all contractual payments. Operating risk sits with the care provider, OSJCT, and therefore Trustees are assured there is limited risk to GCP.

However, the current contractual structure has resulted in a deficit position each year and a cumulative deficit on the balance sheet. The Estates Committee, which was re-established in 2017/18 completed the first phase of the estates strategy in December 2019 which sets out the financial support GCC will provide for the older homes until 2025. GCP Trustees now need to commence work on the sustainability of GCP which involves reviewing the structure of the care contract between GCP and OSJCT and the loan agreements with both joint venture partners. The older homes contract has been extended to the end of January 2026 to support GCC whilst they conduct a re-tendering process for the management of these homes.

As a result, whilst the charity will have sufficient working capital and cash flows to continue in operational existence, this is dependent on the continuing financial support of the two members of the Charity, (bpha and OSJCT), who have agreed to provide financial support to the Charity for a period of at least 12 months from the date of signing the financial statements. Whilst the Trustees believe this support will be forthcoming, the letters of support are not a legal commitment.

**Accounting policies (continued)**

**Going concern (continued)**

Therefore, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**c. Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 3 as well as The Orders of St John Care Trust and bpha. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

**d. Fund accounting**

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Investment income and gains are allocated to the appropriate fund.

**e. Income from charitable activities**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenue is accounted for on the basis of invoiced charges to GCC for residential and related care services, raised in accordance with Local Authority block contract and recognised over the period in which provided. Income excludes charges to self-funding residents.

**f. Expenditure on charitable activities**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading they are allocated to activities on a basis consistent with use of the resources.

Residential care costs are contractual payments to OSJCT as care provider in relation to the provision of care services in the homes. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include rent and planned maintenance.

**g. Significant Accounting Estimates and Judgements**

In determining the carrying amounts of certain assets and liabilities, the Charity makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Charity's estimates and assumptions are based on historical experience and expectation of future events and are periodically reviewed.

**Accounting policies (continued)**

**Significant Accounting Estimates and Judgements (continued)**

Management consider the judgment applied to revenue recognition to be significant, in relation to whether GCP acts as principal or agent in its contractual arrangements. GCP is considered to act as principal in the contractual arrangements with GCC. Accordingly, income received from GCC is recognised in full. GCP is not considered to act as principal in the contractual arrangements with self-funded residents. Accordingly, income received from self-funded residents is not recognised.

Management considered the classification of leases between finance and operating leases and took the judgement that all leases should be classified as operating.

**h. Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

**i. Taxation status**

As a charity the GCP is exempt from taxation on its charitable activities.

**j. Fixed assets**

Expenditure incurred on assets held on a continuing basis for the activity of the company is capitalised where appropriate and included in fixed assets at cost. An annual review is undertaken to determine any impairment in the net book value of property assets. Impairment losses are recognised in the SoFA as expenditure.

Depreciation is provided to write off the cost less residual value on a straight line basis over the useful economic life of the asset concerned. The following rates apply:

Leasehold assets: 30 years or remainder of lease if shorter.

**k. Financial Instruments**

The Company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**l. Cash and cash equivalents**

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

**2. Income from Charitable activities**

The fees for care of £17,072,963 (2023: £18,274,561) are received for block and spot placement contracts with GCC.

There was no Other Income in this financial year (2023: £1,834,826 received in relation to the closure of four homes during the financial year).

**3. Expenditure on Charitable activities**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Care services fees	<b>13,830</b>	14,928
Operating lease rentals – land & buildings	<b>3,171</b>	3,271
Management fees	<b>33</b>	29
Interest paid	<b>17</b>	20
Depreciation	<b>9</b>	5
Governance costs (audit fee)	<b>22</b>	25
Other	<b>-</b>	4
Contractual provision	<b>50</b>	50
Exceptional items	<b>(70)</b>	1,835
<b>Total Charitable expenditure</b>	<b>17,062</b>	20,167

The exceptional item realised in the year relates to the reversal of the impairment of Jubilee Lodge due to improved performance.

Gloucestershire Care Partnership does not have any employees.

**4. Trustees Remuneration**

The Trustees neither received nor waived any emoluments during the year.

No out of pocket expenses were reimbursed to Trustees.

**5. Fixed assets**

	<b>Leasehold Improvements £'000</b>
<b>Cost</b>	
At 31 March 2023 and 31 March 2024	<b>272</b>
<b>Depreciation</b>	
At 31 March 2023	175
Depreciation charge	9
Reversal of Impairment Losses	(70)
<b>At 31 March 2024</b>	<b>114</b>
<b>Net Book Value</b>	
At 31 March 2023	97
<b>At 31 March 2024</b>	<b>158</b>

The reversal of impairment losses realised in the year relates to the reversal of the impairment of Jubilee Lodge due to improved performance.

**6. Debtors**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Other debtors and accrued income	<b>2</b>	-
Prepayments	<b>36</b>	34
<b>Total</b>	<b>38</b>	34

**7. Creditors: amounts falling due within one year**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Trade Creditors	<b>31</b>	-
Accruals	<b>114</b>	127
Amounts due to related undertakings	<b>989</b>	967
<b>Total</b>	<b>1,134</b>	1,094

**8. Creditors: amounts due after more than one year**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Amounts due to related undertakings	<b>250</b>	200
<b>Total</b>	<b>250</b>	200

There is an agreement that OSJCT will pay £50,000 per annum into a provision held in OSJCT in relation to potential dilapidations arising at the end of the contract. Management's best estimate is that no dilapidations will be required to be paid at the conclusion of the contract, at which point the money will be paid back to OSJCT.

**9. Cash and Cash Equivalents**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Cash at bank	<b>388</b>	338
<b>Total</b>	<b>388</b>	338

**10. Operating Lease commitments**

At 31 March 2024, the company had total commitments under non-cancellable operating leases as follows:

	<b>2024</b>	2023
	<b>Land and</b>	Land and
	<b>Buildings</b>	Buildings
	<b>£'000</b>	£'000
Due within 1 year	<b>3,171</b>	3,090
Due within 1-5 years	<b>10,971</b>	11,190
Due in more than 5 years	<b>99,671</b>	100,831
	<b>113,813</b>	115,111

**11. Analysis of net liabilities between funds**

	<b>2024</b>	2023
	<b>Unrestricted</b>	Unrestricted
	<b>Funds</b>	Funds
	<b>£'000</b>	£'000
Funds balances are represented by:		
Fixed assets	<b>157</b>	97
Current assets	<b>426</b>	372
Current liabilities	<b>(1,133)</b>	(1,094)
Long term liabilities	<b>(250)</b>	(200)
<b>Total net liabilities</b>	<b>(800)</b>	(825)



**12. Related Party Transactions****bpha**

The income and expenditure account includes the following transactions between the Partnership and bpha, which is one of two equal members in the company:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure:		
Property lease rentals	<b>2,423</b>	2,406
Interest	<b>8</b>	10
	<b>2,431</b>	<b>2,416</b>

The amounts due to or from bpha at the year-end are:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Payable:		
Short-term loan	<b>250</b>	250
Interest on loan payable	<b>176</b>	167
	<b>426</b>	<b>417</b>

**The Orders of St John Care Trust**

The income and expenditure account includes the following transactions between the Partnership and OSJCT, which is one of the two equal members in the company:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure:		
Contractual payments to OSJCT	<b>13,831</b>	14,928
Management fees	<b>33</b>	29
Interest on loan	<b>8</b>	10
Exceptional items	<b>-</b>	1,782
	<b>13,872</b>	<b>16,749</b>

**Related Party Transactions (continued)**

The amounts due to or from OSJCT at the year-end are:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Payable:		
Short-term loan	<b>250</b>	250
Interest on loan	<b>176</b>	167
Care services fees	<b>109</b>	109
Management fees	<b>24</b>	24
	<b>559</b>	550

Under the terms of the care services contract, Gloucestershire County Council are contracted to purchase a minimum number of bed spaces in the GCP homes with the balance being available to OSJCT. In the event purchasing falls below these levels the Council either pay a 'void' rate or OSJCT has the rights to offer the bed space to the NHS, other Local Authorities or private fee payers. Any such placements by OSJCT are at nil consideration to GCP.

All income directly received by OSJCT and any associated risk e.g. providing required care at premium rates (agency), being exposed to doubtful debt or rising costs above contractual inflation that may arise, is the direct responsibility of OSJCT as care provider.

OSJCT and bpha each provide a working capital loan to the Charity of £250,000 on an arm's lengths basis, renewable on a 12-month basis.