

**British  
Home and  
Hospital for  
Incurables**

**Report and Financial Statements  
for the year to**

31 March 2024

Charity Registration Number  
206222

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## Reference and administrative details

<b>Honorary President</b>	Professor, The Lord McColl of Dulwich
<b>Chair</b>	John Handley (appointed February 2024) Kay Sonneborn BA (retired February 2024)
<b>Deputy Chair</b>	David Green MA (Cantab) (retired November 2023)
<b>Board of Trustees</b>	Kenneth Dunn MA, DipMS Alison Hughes RN, MHSM James Mill TD, CA (retired November 2023) Derek Prentice Rebecca Sycamore (resigned November 2023) Jane Fisher Tom Walker Andrea Haug Taras Fellah Fazeela Chharawala (appointed September 2023) Mr. Karan Kapoor (appointed September 2023)
<b>Chief Executive Officer to the Board</b>	Paul Perkin
<b>Director of Care</b>	Victoria Fields – (resigned December 2023) Merrilee Briggs (joined March 2024)
<b>Director of Finance and Resources</b>	Natasha Charles-Lewis, ACMA
<b>Address</b>	Crown Lane Streatham London SW16 3JB
<b>Website</b>	<a href="http://www.britishhome.org.uk">www.britishhome.org.uk</a>
<b>Charity registration number</b>	206222
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## Reference and administrative details

**Investment advisors** CCLA Investment Management Limited  
80 Cheapside  
London  
EC2V 6DZ

Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London, EC4M 8BU

**Bankers** Barclays Bank plc  
Clapham Common Group  
PO Box 4038  
London, SW12 9YB

**Legal advisers** Hempsons  
40 Villiers Street  
London, WC2N 6NJ

The Board of Trustees ('the Board') presents the statutory report and financial statements of British Home and Hospital for Incurables ('British Home') for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 30 and comply with British Home's Charter of Incorporation and Regulations, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **A Note from our Chair**

Welcome to our Annual Accounts and Report. I am delighted to present this report as the new Chair of the Board of British Home having taken up my new role in January this year. As I reflect on this past year, I am proud of what the Board has achieved as it continues to steward the charity toward its strategic aim of becoming a leading provider of neuro-rehabilitation and specialist care and support for people living with neurological conditions. Over this last year we have continued to invest in our neuro-rehabilitation offer and have recruited talented therapists, including Speech and Language, Occupational and Physiotherapists, with specific insight into neurological conditions. We will continue to build on this in the coming year with the introduction of an associate Psychologist and Music Therapists to improve the rehabilitation potential of all of our residents.

We continue to work with our partners and commissioners to realise our ambition of developing a Specialist Level-2 Neuro-rehabilitation service (as defined by the British Society for Rehabilitative Medicine), to support people leaving acute care to regain their independence in line with their personal goals. This ambition could not be achieved without the hard work and dedication of all of our skilled staff at British Home. It is through their invaluable contribution that the charity is able to develop new innovations for its residents and the Board remain incredibly grateful for the work that they do.

Of course, it is important to recognise the tremendous efforts of our committed volunteers who give up so much of their personal time to provide residents with a wide range of social activities as well as befriending and emotional support. The contribution of our volunteers enhances the homely, happy atmosphere of British Home.

As well as the opportunities presented to our great charity, the Board continue to work diligently to address those risks present within the current cost of living crisis, of which British Home is not immune. As reported in previous years, the cost of providing care and ancillary services continue to increase with inflation and the challenge for us is to ensure that these costs are met by commissioners. The Leadership Team of British Home continue to negotiate with all of our funders to address the shortfall in funding for those residents whose care fees do not meet the real cost of their care. While these negotiations have resulted in achieving fair and best value care fees, there is still more to do. The widely reported shortage in nursing and social care staff continues to impact on British Home and the Board recognise that this crucial work needs to be sufficiently rewarded. Last year the Board awarded a 3.5 % increase in staff salaries but recognise that there is still much further to go, while the cost of living for our staff continues to increase. Over the next year, the Leadership Team will continue to revise and renegotiate care fees to ensure that the charity can continue to attract and retain talented staff for the benefit of our current and future residents.

## Report of the Board of Trustees Year to 31 March 2024

### **A Note from our Chair** (continued)

While our focus remains on ensuring that care fees are commensurable with cost, we are also grateful to our charitable funders without whom, we would not be able to offer the services and equipment that enhance our resident's lives and opportunity of rehabilitation. The Board would like to thank, once more, our loyal supporters of charitable trusts and individuals who have donated so generously over this last year. Your kindness and generosity remain greatly appreciated.

Finally, I would like to thank my fellow Trustees and our Senior Leadership team for all of their hard work and commitment. Special mention should go to my predecessor Kay Sonneborn who retired in January this year. Kay was first appointed to the Board in 1993 and spent the last fourteen years leading the charity as its Chair. Under Kay's excellent leadership, British Home has not only persevered through seemingly insurmountable challenges, but it has thrived, which showcases her resilience and strategic acumen. At the end of 2023, two of our longstanding Trustees, David Green and James Mill also retired from the Board having served twenty-one years and eighteen years respectively. The Board and everyone at British Home would like to thank them for their insight and invaluable contribution and we wish them well in their retirement.

This coming year will be one of our most exciting ever, as we move even closer to achieving our strategic aims. It is through the efforts of everyone involved in leading this great charity, that we will continue to improve the life chances of everyone living with a neuro-disability.

### Composition of the Board of Trustees

The Charity Board of Trustees is:



***Chair: Kay Sonneborn (retired from the Board February 2024)***

Kay was an investment analyst for a US investment bank for many years. She has been involved with the charity and health sector for over 30 years and has held senior non-executive roles in the NHS. Kay was Chair of the largest Primary Care Trust in London for ten years.



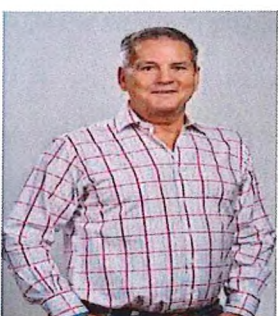
***Chair: John Handley (appointed February 2024)***

At its meeting in November 2022 Trustees agreed to appoint John Handley to the Board of British Home. John is an internationally experienced executive who has worked extensively with business leaders across small and large businesses, fully owned and joint venture partnerships, listed and not for profit sectors, in services and manufacturing industries and in emerging and mature markets including Saudi Arabia, India, Australia, the United States and the UK. An accredited WABC Executive Coach.



***Deputy Chair: David Green (retired from the Board November 2023)***

David worked in Merchant banking before a long involvement with the charitable sector in London, firstly as Finance Director of the London Voluntary Service Council and subsequently as Chief Executive for the Cripplegate Foundation and the St Luke's Parochial Trust, allocating millions of pounds in grants to projects in Islington.



***Kenneth Dunn***

Kenneth Dunn joined the Board of Trustees in December 2014. Kenneth has some 30 years of social care experience. He has a broad knowledge of the care industry and government policies and procedures regulating care.



***Alison Hughes***

A nurse and midwife with 36 years' experience, Alison trained at University College Hospital before moving to Oxford and then Australia to practice. She spent four years overseas before joining the cardiac unit at St George's Hospital Tooting, moving from Sister to Head of Nursing and finally Divisional Director of Nursing and Governance. Alison retired from the NHS in 2015 and currently works part time on a consultancy basis.



**Composition of the Board of Trustees** (continued)



***James Mill (retired from the Board November 2023)***

James worked in oil and gas exploration for much of his career, operating in Libya, Pakistan and Canada amongst other places. For the last ten years of his working life he was Finance Director of the Royal Star & Garter Home, a 180-bed nursing home and military charity in Richmond, and consequently has extensive experience of the challenges facing charities like British Home.



***Derek Prentice***

Derek spent the majority of his career in consumer affairs, spending over twenty years with Consumers' Association (Which?) and serving as the President of the European Consumers Organisation BEUC. Derek is a Council Member and Trustee of the Royal College of Emergency Medicine and Chairs its Lay Group. Derek has been the Vice Chair of the Lay Group of the Academy of Royal Medical Colleges, the Chair and Lay Member of the General Dental Council and a Trustee of King's College Hospital.



***Rebecca Sycamore (resigned from the Board November 2023)***

Rebecca has considerable experience of Director level posts within large charities. She is currently Executive Director of Development at the homelessness charity and Housing Association, St Mungo's where she has responsibility for fundraising, communications and marketing, business development and strategic asset management. She has also been a specialist social worker, helping homeless people experiencing mental health problems for the London Borough of Ealing, as well as holding positions with Crisis and Homeless Link.



***Jane Fisher***

Jane has worked in the NHS for over thirty years, starting as a nurse with a special interest in trauma. After twenty years on the front line, she moved into NHS management and now manages the Northwest London Renal and Transplant Service (the largest such unit in Europe). Jane is passionate about healthcare and has a strong commitment to delivering equality and diversity.



**Composition of the Board of Trustees (continued)**



***Tom Walker***

Tom is currently Co-Head of Global Listed Real Assets for Schroders where he is responsible for a large real asset investment portfolio and has significant experience in investment management.



***Andrea Haug***

Andrea has successfully led HR in a number of sectors including retail, media and entertainment, hotels and hospitality, infrastructure, and financial services in both the UK and internationally. She has broad experience at both strategic and operational levels across all areas of HR. Her deeper specialisms include leadership, culture, employee engagement, and organisational change. Andrea's passions are supporting leaders through periods of growth, uncertainty, and change, and building workplaces that are welcoming and inclusive, where everyone feels they belong and are able to contribute, achieve and progress.



***Taras Fellah***

Taras spent 7 years within the internal audit function of IQVIA, a US listed multi-national healthcare company before taking up his current role of Senior Director of Financial systems.



***Fazeela Chharawala***

At its meeting in September 2023 Trustees agreed to appoint Fazeela Chharawala to the Board of British Home. Fazeela Chharawala is a registered Neurosciences Occupational Therapist who specialised in neurorehabilitation prior to working in her current field in health innovation. She works as a Senior Innovation Manager in NWLs Health Innovation Network -IHP and co-founded the Imperial HOTT (Helping Our Teams Transform) innovative surgical safety culture programme. She teaches Human Factors and has a keen interest in patient safety and quality. Fazeela utilises her passion for innovation, system collaboration and leadership in her everyday work where she implements strategic transformation to enable equitable and improved clinical outcomes for populations.

**Composition of the Board of Trustees (continued)**



**Mr. Karan Kapoor**

At its meeting in September 2023 Trustees agreed to appoint Mr. Karan Kapoor to the Board of British Home. Karan is highly esteemed consultant ear, nose and throat surgeon based in Surrey.

**Board Responsibilities Statement**

The charity's trustees are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom generally accepted accounting practice. Charity law requires the Board, as trustees, to prepare financial statements which give a true and fair view of the financial activities of British Home during the year and its financial position at the end of the year. In preparing the attached financial statements, the Board is required to:

- ◆ select suitable accounting policies and then apply them consistently.
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent.
- ◆ state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that British Home will continue to operate.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of British Home and which enable it to ensure that the financial statements comply with the Charities Act 2011. The Board is also responsible for stewarding the assets of British Home and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

### **Structure, governance, and management**

British Home was granted a Royal Charter on 1 November 1899. It is governed by a Charter of Incorporation and Regulations (revised 8 January 2009) and is a registered Charity (No. 206222). Responsibility for British Home rests with the Board who are the trustees of the charity for the purposes of charity legislation.

British Home is regulated by the Charity Commission, by the Care Quality Commission (CQC) and, as a Royal Charter Company, by the Privy Council.

The Board met formally in each quarter of the last financial year, and also held its annual away day to review the charity's strategic plan. At 31 March 2024 the Board comprised eight members who held office throughout the year, and two new members appointed in September 2023. As previously noted, David Green, James Mill and the Chair Kay Sonneborn retired from the Board during the year. Rebecca Sycamore resigned from the Board when her term on the board ended during the year.

Trustees did not receive any remuneration for services as a member of the Board.

### ***Board Committee Structure***

The Board periodically reviews its governance committee structure, to ensure that it remains fit for purpose and responsive to emerging, strategic opportunities and risks. At its most recent strategic planning day in March 2024, the Board undertook a review of its governance and Committee structures in line with its refreshed strategy. At its following meeting in May 2024 the Board agreed to introduce a new sub-committee to oversee the development and implementation of a new People Plan which will ensure the continuous professional development of all of the charity's staff. The new Workforce Development Committee will support the Executive in ensuring that British Home continues to recruit, develop and retain talented people, while also supporting a positive culture where all staff will have equal opportunity to thrive and continue making a positive difference in their roles.

### ***Care Governance Committee***

The Care Governance Committee provides assurance to the Board by having Trustees with relevant clinical experience to review the provision of care and therapy in the Home, and to offer support and counsel to the Director of Care in this regard. The Care Governance Committee maintains oversight of British Home's clinical practice and care provision including quality assurance, service improvement, safe practice, and regulatory compliance. In September this year, two new Trustees with specific clinical expertise were recruited onto the Care Governance Committee, in anticipation of British Home establishing a new specialist Level-2 neuro-rehabilitation service.

### ***Finance Committee***

The Finance Committee has delegated responsibility from the Board to oversee and review all financial aspects of the Charity's operations including the Charity's investment strategy and appointment of its Investment Managers. The Finance Committee also has responsibility for British Home's human resources, building and maintenance services, as well as the development of the Charity's IT and digital strategy. The Finance Committee continues to set annual targets to reduce the current deficit and achieve an annual operational surplus.



## **Structure, governance, and management (continued)**

### ***Finance Committee (continued)***

Since the pandemic, the recruitment of care staff within a challenging market has emerged as the Charity's key strategic risk. The Finance Committee continues to review staff salaries and benefits to ensure that these remain competitive and to advise the Remuneration and Nominations Committee in this regard. In April 2023 Tom Walker was appointed as the Chair of the Finance Committee. Tom succeeded following the retirement of David Green who had held the role of Chair since the Committee was reformed in January 2018.

### ***Redevelopment Oversight Committee***

The Redevelopment Oversight Committee was established in 2021, to explore the options for funding the development of a new care facility through either a full or part sale of the existing building. Since the Committee's inception, two feasibility studies have been commissioned (2021 and 2023) and both have concluded that the costs of any new development would require significant investment beyond the proceeds of the sale of our building. At its strategic planning day in March 2023, the Board agreed to a refurbishment programme to modernise the building and to meet the costs through a capital fundraising appeal. The Board are satisfied that the best option for the charity is to remain on its existing site and therefore the Redevelopment Oversight Committee was dissolved having successfully stewarded the Board to this conclusion.

### ***Remuneration and Nominations Committee***

The Remuneration and Nominations Committee has oversight of the balance and effectiveness of the Board, including the appointment of new Trustees. The Remuneration and Nominations Committee is also responsible for the remuneration of the executive management team of the Charity, as well as the annual review of staff salaries and benefits.

### ***Trustee recruitment, induction, and training***

The Board annually reviews the mix of skills and experience of its members and seeks new Trustees where specific skill gaps are identified. New Trustees are offered an individually tailored induction programme to familiarise themselves with all aspects of the charity's work, legal and statutory responsibilities, including all relevant regulatory requirements determined by the Charity Commission.

In September 2023, the Board appointed two new Trustees in line with its succession plan.

The Board is regularly updated on all key operational and clinical developments within the Home and each Trustee participates in the monthly Board visitor programme where they can hear first-hand from residents, staff, and families about the quality of service being provided.

### ***Management of British Home***

The key management personnel of British Home responsible for directing and controlling the operations of the charity comprises the Board of trustees, the Chief Executive Officer, the Director of Care and the Director of Finance and Resources.

**Structure, governance, and management** (continued)

***Management of British Home*** (continued)

**Paul Perkin** (BA Hons) is the Chief Executive Officer of British Home. Paul took up this post in April 2017. Paul has over twenty years' experience within the social care and housing sector. Paul holds a BA Hons degree in Urban Policy from Lancaster University and has a long track record of campaigning and advocating on the behalf of society's most vulnerable people.

**Natasha Charles-Lewis** ACMA (MSc) is the Director of Finance and Resources at British Home. Natasha took up this role in September 2019. Natasha has over sixteen years' finance experience within the healthcare and charitable sector. Natasha is an associate member of the Chartered Institute of Management Accountants and holds a further degree in strategic business management.

**Victoria Fields (MSc) resigned as** the Director of Care at British Home she left in December 2023.

**Merrilee Briggs joined the** as Director of Care at British Home in March 2024. Merrilee is a Registered Nurse and has worked in Health and Social Care for over 20 years. Merrilee has held Senior roles in care quality and commercial development in both the private and charity sectors and has a particular passion for developing neuro-rehab services to improve access, recognising that everyone has a right to rehab.

**Aims Objectives and Strategy**

British Home provides specialist nursing and rehabilitation to adults living with neuro disability. This will typically include people living with severe impairment often resulting from brain injury, stroke or through a degenerative illness. We work with each of our residents to tailor a holistic and bespoke package of care and rehabilitation, enabling them to live as full and independent lives as possible. British Home also provides end of life care, ensuring that dignity, comfort, and choice remain at the heart of all that we do.

British Home is registered to look after a maximum of 127 residents; however, due to the increasing complexities of residents over the last several years, the number of commissioned units has been reduced to achieve a more optimum operational capacity of 80 beds This includes beds for both fast-stream and longer-term rehabilitation, as well as palliative care and respite.

During the pandemic, the average occupancy within the service reduced significantly due to higher mortality rates amongst residents and delayed discharge from referring agencies. Since the end of the pandemic, we have continued to receive referrals for residents with increasingly more complex needs. This has resulted in more time needed to plan for admissions which has impacted on bed occupancy. We have also seen an increase in residents requiring neuro-palliative care in the last year. Average occupancy over the last year on this basis was 89% or 71 residents (2023 – 85% or 68 residents).

In March 2024, the Board reviewed its 5-year strategy, with a central aim to build upon its experience and become a specialist provider of neuro-disability rehabilitation. Over the next three years, the Board will continue to invest charitable income to develop British Home into



**Aims Objectives and Strategy** (continued)

a centre of excellence for specialist rehabilitation, in line with The British Society of Rehabilitation Medicine (BSRM) standards. Over the next year the charity will introduce four Specialist Level-2 rehabilitation beds within the service, in the expectation that this will increase to fifteen beds within two years. In addition to this, we will continue to support more people to manage their conditions more effectively within the community, with an emphasis on increased independence, pain relief and greater enjoyment of life (including those approaching end of life).

**Public benefit**

In setting the charity's objectives the trustees have considered the Charity Commission's guidance on public benefit. The Board believes that British Home continues to meet the Charity Commission's public benefit test principally in that the majority of residents in British Home have for many years benefited from the availability of statutory funding. The charity provides additional rehabilitation and social support to residents from its own charitable funds and through specific fundraising initiatives.

***Our Values***

All at British Home are committed to upholding our organisational values which have been developed in collaboration with our residents, staff and other stakeholders and partners.

These values inform every aspect of our work, including the care we provide to residents and the way we support our staff to carry out their important roles.

Our Values determine that we:

- ◆ put the individual at the heart of their care;
- ◆ understand that every individual will have their own targets and motivations, and that rehabilitation is a process that people take at their own pace;
- ◆ recognise the advantages that our diversity provides, we will harness the talent and energy of everyone at British Home: staff, volunteers, residents, families and carers.
- ◆ will always act with integrity, openness and honesty; and
- ◆ are committed to the highest standards and will embrace innovation and models of best practice.

***Personalised Support***

At British Home, we recognise that each resident is an individual and that they and their families will often provide the greatest insight into how our staff can best meet their care needs. Residents at British Home are continually assessed by a multi-disciplinary team comprising of clinical staff and therapists to ensure they receive an appropriate service offer commensurate with their individual needs. We work with residents and their families to develop personalised care plans, ensuring that they direct and control the care we provide. Over the next year we will continue to train and develop all our nursing and care staff in rehabilitation support, which will ensure greater integration of each resident's individual therapy and treatment plans across all aspects of their daily care.

**Public benefit** (continued)

***Personalised Support*** (continued)

We continue to work with residents receiving palliative care to develop personal end of life care plans. Last year 100% of residents had an agreed end of life plan in line with their personal wishes.

***Risk management***

The Board regularly reviews the potential major risks to the charity and undertakes a formal risk audit each year to identify any additional risks that the charity may be exposed to and to ensure that adequate control measures are in place to mitigate identified risks. To protect the assets of the charity, British Home maintains a comprehensive suite of insurance policies.

The Board considers the 'failure to reduce its operational deficit', as its key strategic and operational risk, given that this would have a detrimental impact on the future sustainability of the Charity and the well-being of its residents. The Charity's 5-year strategy has guided British Home's transition from a traditional nursing care model to that of a specialist provider of neuro-disability nursing care and rehabilitative support. This will ensure that care fees are more commensurate with residents' support needs and that the Charity is not required to subsidise the costs for those residents who no longer require the level of specialist nursing and support provided within the Home.

In recent years the health and social care sector has experienced significant challenges around recruitment and retention of experienced care staff. British Home is not immune to this, and over the last two years the recruitment and retention of skilled staff into British Home has emerged as a key risk for the charity. The Executive Team has introduced a range of measures to attract talented staff and to reduce its dependency on temporary workers, with some success. However, this has not been without significant cost as the Charity has sought to increase salaries and benefits to attract skilled workers within a competitive market. The Executive Team will engage with its commissioners to ensure that care fees reflect the demands of local labour markets, and that British Home can continue to attract and retain highly skilled and experienced staff.

***Volunteers & Carers***

Volunteers at British Home make a positive difference to the lives of our residents through their involvement in a wide range of activities including rehabilitation support, recreational activities, befriending and fundraising. The Board remain grateful for the significant contribution that all of our volunteers make to the charity and its residents.

British Home also places significant value in the views and contributions of its community of resident's families and carers. The Charity offers a variety of ways for families and carers to have their say on how care and support is delivered at British Home, recognising their role as advocates and experts in how their loved ones are cared for. Over the last year, families and carer's views were heard through online quarterly families and carer's meetings as well as through our annual family and carer surveys.

**Public benefit** (continued)

***Fundraising***

The shortfall in our operating income, as noted below, is made up in part from generous donations and legacies bequeathed to the Home. British Home is reliant on voluntary contributions to provide resources and develop innovation to improve the lives of everyone we support. The Board are grateful for all charitable contributions from our generous donors and would like to pay particular thanks to the following Trusts and individuals for their continued support:

J H Bartlett Charity  
Charities Trust  
The J A T Caulfield Trust  
Bothwell Charitable Trust  
Davis-Rubens Charitable Trust  
I V Askew Charitable Trust

The Board would also like to thank all who have donated to British Home in memory of loved ones and to the many people have supported us with a legacy in their Will.

In June this year, British Home introduced its charity lottery. It is hoped that this will deliver a new revenue stream of unrestricted charitable funds over the coming years to fund new and emerging technologies to improve the rehabilitation potential for people living with neuro-disability. As a charity registered with the Fundraising Regulator, we are committed to ensuring our fundraising is legal, open, honest, and respectful. British Home did not actively pursue donations from individuals and the general public and did not use the services of a professional fundraiser. No complaints were received in relation to how the charity conducted its fundraising activity.

***Environmental, Social and Governance***

Since its inception British Home has provided care and support to some of the most vulnerable people within its community. We remain proud of the public benefit we continue to provide to severely disabled people, and we also recognise the wider role we can and should play towards reducing our environmental impact, increasing diversity and inclusion, and ensuring strong and ethical governance practices.

The charity continues to ensure that its investments are managed in compliance with ESG criteria, through dedicated funds in line with Charity Commission Guidance. Over the next two years we will continue to build upon this commitment to ESG practices in a variety of ways; from how we manage our carbon footprint, including procuring services and influencing our suppliers' environmental practices; to how we ensure the welfare of our staff and increase opportunity and diversity across our workforce.

## Financial review

### *Performance in the year*

The operating deficit for the period was £2,344,257 (2023 – £2,500,523) as shown in the table below:

	2024 £	2023 £
Fees	6,522,633	5,482,299
Less: Expenditure	(8,866,890)	(7,982,822)
<b>Operating deficit</b>	<b>(2,344,257)</b>	<b>(2,500,523)</b>
Donations	75,995	72,785
Investment income	345,364	359,415
Other Income	81,526	14,828
<b>Deficit before legacies</b>	<b>(1,841,372)</b>	<b>(2,053,495)</b>
Legacies	598,250	212,621
Pension scheme buyout	(469,000)	—
<b>Net expenditure for the period before investment gains and losses</b>	<b>(1,712,122)</b>	<b>(1,840,874)</b>

a) *Fees*

Income from fees charged increased by 19% to £6,522,633 (2023 – £5,482,299). The increase in income is a result of improvement in average occupancy and higher fees generated on new admissions where focus continues on attracting specialist needs residents with neurological conditions and a greater emphasis on the charity's therapy provision. As in recent years, a low level of fee increases was awarded for longer term residents and only by a small number of funders putting continued pressure on the charity's resources.

b) *Expenditure*

Expenditure in 2024 increased by 11% to £8,866,890 (2023 – £7,982,822).

Within this total, staffing costs amounted to £5,078,694 (2023 – £4,179,929) an increase of £898,765. British Home staff are the heart of our organisation, whenever possible the Board endeavours to provide a real increase in pay and ensures that staff are paid in line with industry standards.

c) *Fundraising and publicity*

Costs, with allocated support costs, totalled £133,793 (2023 – £147,377). This included costs for the external marketing of British Home to continue raising awareness of British Home and its work, to support its fundraising endeavours.

d) *Donations*

Donations increased within the last year to £75,995 (2023 – £72,785). In the current year we received large donations from J H Bartlett Charity Trust. We are thankful for the great support of individual donors and charitable trusts, a number of whom have been loyal supporters of British Home for many years. The Board equally values every contribution regardless of size and is particularly grateful for the dedication of local groups and individuals in helping to fundraise.

**Financial review** (continued)

***Performance in the year*** (continued)

**e) Income**

Income from legacies increased over the prior year to £598,250 (2023 – £212,621). In line with the legacy income recognition policy, whereby a future legacy receipt is recognised as income provided probate has been granted and eventual receipt is probable, £443,800 (2023 – £21,044) has been recognised as income ahead of receipt in cash. Historically the legacy income of British Home has fluctuated and is unpredictable from year to year.

***Pension Liabilities***

The charity previously operated a final salary pension scheme which closed to new members as of 31 March 2014.

The Board engaged KPMG to advise it as to whether measures could be taken to potentially mitigate the liabilities of the scheme and whether securing member' benefits under the scheme through an insurance company buy-out might be an affordable option for British Home. The Board considered that removing at an affordable cost the risk to its reserves represented by an open-ended obligation to fund any future deficits in the scheme would be in the best interests of the charity.

In February 2018 the trustees decided to withdraw from the scheme and a total liability of approximately £1,788,000 crystallised. This quotation also included costs for legal and actuarial fees associated with the buy-out, as well as provision for any unforeseen costs arising from a final data cleansing exercise of the scheme, which will be jointly conducted by Aviva and the scheme's actuary.

The trustees paid over the sum of £1,010,000 on 3 March 2018. There remained a provision in the accounts at the 2022/23 reporting date of £778,000. The time taken to conclude the buyout has extended considerably, given the unforeseen changes to member benefits brought about in 2018 affecting UK workplace pension schemes. This followed a High Court Ruling in 2018 which required adjusting pensions for any unequal Guaranteed Minimum Pension (GMP) within the pension schemes. In 2023/24, the Trustee for the pension has given a revised estimate of £2,257,000 for the total liability, given changes in market conditions affecting the pension fund over the time taken to finalise the buyout. This has resulted in the revised final payment increasing to £1,247,000, subject to the prevailing market conditions at the point of winding up the scheme'.

The replacement to the now closed final salary scheme is a defined contribution Group Personal Pension Plan provided through Royal London. Under this arrangement British Home contributes 10% of pensionable salary while employees contribute 5%. Employees who have not elected to join the GPPP are, if eligible, subject to auto-enrolment at contribution rates set as part of the Government's pension membership initiative.



**Financial review** (continued)

***The Home's Net Assets***

The net assets of British Home at 31 March 2024 were £10,692,144 (2023 – £11,773,668). Of these £662,427 (2023 – £633,504) related to fixed assets which were comprised mostly of freehold buildings, which are wholly used for charitable purposes and are represented by a specific designated fund. Fixed asset purchases and disposals during the year are shown in the notes to the financial statements. The net assets also included £12,477 of endowment funds not expendable by the charity. After allowing for further designated funds as described below the general unrestricted funds of the charity at 31 March 2024 were £2,114,239 which equates to approximately three month's running costs (see policy below).

***Reserves policy and financial position***

In determining the level of reserves necessary to continue the work of British Home, the Board balances its long-term obligations and risks with the needs of current beneficiaries. Where there is a capital commitment, a need to generate income for a specific purpose, or a need to ring-fence funds for the future stability of the charity, the Board has established designated funds. COVID- 19 had a significant impact on the charity's reserves and highlighted the need to retain an appropriate level of free reserves in order to respond to unforeseen events and to protect the wellbeing of the charity's beneficiaries. The board believes that the charity's general fund, i.e. the free reserves should be between 3 to 12 months of annual running costs, in addition to the continuity of care fund (below).

***Designated reserves***

At the end of the financial year 2023/24 the British Home held £10,730,762 in investments. These funds were split between general reserves of £2,818,284, endowment funds of £12,477 and £7,900,001 designated funds for continuity of care and major and cyclical maintenance. The Board is awaiting costings for the planned redevelopment project which would require a further designation along with capital fundraising to fund the project. The Board has currently made the following designations.

***Continuity of Care Fund***

The Board of Trustees is conscious of its long-term obligation to the residents in its care, their sponsors and their carers and to balance the needs of current residents with those of the future. The Board believes that the equivalent of 6 to 9 months anticipated costs is required to meet its obligations to provide essential services for all parties in the event of a critical incident. The Board has therefore designated £5.9M of its reserves to this fund, to provide for nine month's running costs.

***Major and Cyclical Maintenance Fund***

The British Home operates from an old, Victorian building which is both expensive to maintain and will also occasionally require costly unplanned repairs. Trustees have therefore created a fund to meet the costs of major and cyclical maintenance when the need arises. The Board has designated £2M of its reserves to this fund, in the event that major repairs are required to the building's infrastructure.

**Financial review** (continued)

***Investment policy and performance***

The investment objective of the Board is to maintain the real value of the fund over time whilst generating a stable and sustainable return on investments in the form of dividend payments to supplement the charity's income. The Finance Committee has responsibility for agreeing strategy and monitoring the investment assets. The committee meets quarterly and reviews the portfolio's performance.

The market value of the portfolio at 31 March 2024 was £10,530,762 (2023 – £11,713,705 and 2022 – £13,801,164). This is a book valuation and may differ significantly from the price achieved when the funds are sold. The value of the portfolio increased during the year following positive movement in the investment markets despite withdrawals to cover cash shortfalls arising from the deficit. The amounts drawn down on 31 March 2024 were £1,500,000 (2023 – £1,500,000 and 2022 – £500,000). The underlying investment performance showed net investment gains of £780,598 for the year, (2023 – £600,455 losses and 2022 – £651,943 gains) reflecting the change in market value of investments since 31 March 2023. The income produced from these investments amounted to £345,364 (2023 – £359,415 and 2022 – £362,042).

Whilst the charity's funds are of a sufficient size to have a segregated portfolio, the Trustees decided, after a review some years ago, to invest in pooled and common investment funds for charities. The saving in costs is considerable but it means that the charity loses its power to directly influence and control the underlying investments made or the detail of the Environmental, Social and Governance (ESG) policies to be followed.

The two funds in the portfolio are the COIF Charity Investment and Fixed Income Funds, managed by CCLA, and the Sarasin Consolidated Alpha Fund for Endowments, managed by Sarasin & Partners. Both these managers are mindful of the ethical concerns of their charity clients and pursue active ESG research. This research informs not just asset allocation, assessment of risk and stock selection but also how they vote the shares they buy. Both managers talk to the management of those companies to raise concerns. Both managers publish detailed ESG policies and descriptions of how they assess risk. Both managers also present annually to the Finance Committee illustrating the analysis of the financial return, risk, asset allocation, the funds' performance against agreed market benchmarks, and the investment objectives.

**Future plans**

In March 2024, the Board of British Home revised the charity's 5-year strategic plan. Our new strategy 2023-2026, has been developed to focus on what we do well today and make it even better. We will provide high quality specialist neuro rehabilitation to a local and wider population. As the complexity of resident care increases, we will expand our offer to new cohorts of residents including specialist Level- 2 provision which provides a much greater therapeutic input to residents who will benefit from this higher level of intervention. It is also our intention to provide outpatient rehabilitation services to reach even more people living within the community. These new services will complement our existing provision of longer-term rehabilitation and palliative care and we will continue to invest in these areas as we progress our strategy.

**Future plans (continued)**

As part of this strategy, we will continue to refurbish our beautiful building. This will include new infrastructure and in-house facilities that will enable us to incorporate the latest technologies to support people with their rehabilitation. Furthermore, we will consult with our residents and staff to create a more modern and therapeutic environment for all who live and work at British Home.

**Auditor**

Buzzacott LLP, the Home's auditors have indicated their willingness to remain in office for a further year.

**Thanks, and acknowledgements.**

The Board continues to be highly appreciative of the support for the Home shown by commissioners of social care. British Home as an independent charity well understands the cost pressures associated with the provision of social care and hopes that the Board and Commissioners can work together to ensure the ongoing provision of first class, affordable care at Crown Lane long into the future.

The success of British Home as a charity is down to the combined efforts of many individuals and organisations. However, one group clearly stand out as being the bedrock on which the charity stands, and that group is its dedicated and caring staff. The Board would like to say 'thank you' to every member of our staff who 'day in, day out' do a wonderful job in supporting, caring and enriching the lives of the residents of British Home.

Approved by the Board of Trustees and  
signed on its behalf by:

Approved on:

12 September 2024

John Handley

**Independent auditor's report to the trustees of British Home and Hospital for Incurables**

**Opinion**

We have audited the accounts of British Home and Hospital for Incurables (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity'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 Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 accounts 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, including the trustees' report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

### **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 trustees' report.

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charity or to cease operations, or have no realistic alternative but to do so.



**Auditor's responsibilities for the audit of the accounts**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); Care Standards; Health and Safety Regulations; The Code of Fundraising Practice; Safeguarding Regulations; and Data Protection; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Auditor's responsibilities for the audit of the accounts** (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Assessed controls over funds held for residents;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of meetings of trustees; and
- ◆ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. 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 trustees 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 for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP  
Statutory Auditor      13 September 2024  
130 Wood Street  
London  
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## Statement of financial activities Year to 31 March 2024

	Notes	Un-restricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
<b>Income from:</b>						
Donations and legacies	1	669,132	5,113	—	674,245	285,406
Investment income	2	345,364	—	—	345,364	359,415
Charitable activities	3	6,522,633	—	—	6,522,633	5,482,299
Other income	4	81,526	—	—	81,526	14,828
<b>Total income</b>		<b>7,618,655</b>	<b>5,113</b>	<b>—</b>	<b>7,623,768</b>	<b>6,141,948</b>
<b>Expenditure on:</b>						
Raising funds	5	133,793	—	—	133,793	147,377
Charitable activities	6	8,727,984	5,113	—	8,733,097	7,835,445
Pension scheme buyout	20	469,000	—	—	469,000	—
<b>Total expenditure</b>		<b>9,330,777</b>	<b>5,113</b>	<b>—</b>	<b>9,335,890</b>	<b>7,982,822</b>
<b>Net (expenditure) for the year before investment gains (losses)</b>		<b>(1,712,122)</b>	<b>—</b>	<b>—</b>	<b>(1,712,122)</b>	<b>(1,840,874)</b>
<b>Gains (losses) on investments</b>	12	<b>630,598</b>	<b>—</b>	<b>—</b>	<b>630,598</b>	<b>(600,455)</b>
<b>Net (expenditure) and net movement in funds</b>		<b>(1,081,524)</b>	<b>—</b>	<b>—</b>	<b>(1,081,524)</b>	<b>(2,441,329)</b>
<b>Fund balances brought forward at 1 April 2023</b>		<b>11,758,191</b>	<b>3,000</b>	<b>12,477</b>	<b>11,773,668</b>	<b>14,214,997</b>
<b>Fund balances carried forward at 31 March 2024</b>		<b>10,676,667</b>	<b>3,000</b>	<b>12,477</b>	<b>10,692,144</b>	<b>11,773,668</b>

All of the Home's activities are derived from continuing operations during the above and prior financial period.

# **Balance sheet** 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
<b>Fixed assets</b>					
Tangible fixed assets	11		662,427		633,504
Investments	12		10,730,762		12,063,705
			<u>11,393,189</u>		<u>12,697,209</u>
<b>Current assets</b>					
Debtors	13	1,323,695		563,729	
Cash at bank	21	412,853		567,203	
		<u>1,736,548</u>		<u>1,130,932</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,437,593)</u>		<u>(2,054,473)</u>	
<b>Net current (liabilities)</b>			<u>(701,045)</u>		<u>(923,541)</u>
<b>Net assets</b>			<u>10,692,144</u>		<u>11,773,668</u>
<b>The funds of the charity:</b>					
Endowment fund	16		12,477		12,477
Restricted funds	17		3,000		3,000
Unrestricted funds					
. Designated funds	18		8,562,428		8,533,504
. General fund			<u>2,114,239</u>		<u>3,224,687</u>
			<u>10,692,144</u>		<u>11,773,668</u>

Approved by the Board of Trustees on ..... and signed on its behalf by:

12 September 2024

John Handley

## Statement of cash flows 31 March 2024

	Notes	2024 £	2023 £
<b>Cash outflow from operating activities:</b>			
Net cash used in operating activities	A	(2,263,604)	(1,935,261)
<b>Cash inflow from investing activities</b>			
Dividends and interest from investments		345,364	359,415
Purchase of investments		(20,000)	—
Sale of investments		1,469,917	1,500,000
Purchase of fixed assets		(199,651)	(200,595)
<b>Net cash provided by investing activities</b>		<b>1,595,630</b>	<b>1,658,820</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(667,974)</b>	<b>(276,441)</b>
<b>Cash and cash equivalents at 1 April 2023</b>	B	<b>1,629,992</b>	<b>1,906,433</b>
<b>Cash and cash equivalents at 31 March 2024</b>	B	<b>962,018</b>	<b>1,629,992</b>

### Notes to the cash flow statement for the year to 31 March 2024.

#### A Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(1,081,523)</b>	<b>(2,441,329)</b>
<b>Adjustments for:</b>		
Depreciation charge	170,727	136,745
(Gains) losses on investments	(630,597)	600,455
Dividends and interest from investments	(345,364)	(359,415)
Decrease/(Increase) in debtors	(759,966)	7,312
Increase/(Decrease) in creditors	383,120	120,971
<b>Net cash used in operating activities</b>	<b>(2,263,604)</b>	<b>(1,935,261)</b>

#### B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	412,853	567,203
Cash held by investment managers	549,165	1,062,789
<b>Total cash and cash equivalents</b>	<b>962,018</b>	<b>1,629,992</b>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.



## **Principal accounting policies** Year to 31 March 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2024 with comparative information provided in respect to the year ended 31 March 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ valuation of the investment land;
- ◆ legacy recognition; and
- ◆ estimating future inflows and outflows for the purpose of assessing going concern

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

**Assessment of going concern** (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. At 31 March 2024 the charity had net current liabilities of £701,045 (2023 – £923,541). The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due by drawing down on the investment funds when required. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2025, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy section of the trustees' report for more information).

**Income**

Income is recognised in the year in which the Home is entitled to receipt thereof, the amount can be measured reliably, and it is probable that the funds will be received.

Legacies are included in the statement of financial activities when the Home is advised by the personal representative of an estate that payment will be made, or property transferred, and the amount involved can be quantified.

Donations are recognised when the charity has confirmation of both the amount and settlement date.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Fees from medical and nursing services are recognised when the service has been provided.

**Expenditure and the basis of apportioning costs**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure includes attributable VAT which cannot be recovered.

The majority of costs are directly attributable to specific activities. Support costs are allocated to expenditure on raising funds and charitable activities according to underlying activity levels. These were established using a number of suitable indicators including staff time and floor space.

Expenditure comprises the following:

- a. Expenditure on raising funds includes the salaries, direct costs and support costs associated with generating donated income and the fees paid to investment managers in connection with the management of the Home's listed investments.
- b. Expenditure on charitable activities comprises expenditure on the Home's charitable purposes as described in the report of the Board of Trustees and includes support costs.

## Principal accounting policies Year to 31 March 2024

### Tangible fixed assets

The original land and buildings were acquired in 1894. Between 1898 and 1994 their cost and subsequent additions were not recorded in the balance sheet. For many years the accounting policy for freehold land and buildings recognised that it was not possible to ascertain the cost of land and buildings and until 1 January 1994 the cost of additions were written off as incurred. In 1994 the accounting policy was changed and subsequent expenditure on additions and improvements to buildings have been capitalised. The book value, after depreciation, of land and buildings acquired prior to 1994 is not regarded as material. The New Wing, which opened in 1996, is classified as freehold buildings. The buildings were insured on a replacement basis for £45m at 31 March 2024 (at 31 March 2023 – £42m).

All assets costing more than £5,000 are capitalised. Depreciation is provided at the following annual rates to write off each asset over its estimated useful life:

♦ Freehold buildings	4% on cost
♦ Water Tank	10% on cost
♦ Hospital and catering equipment	20% on cost
♦ Office furniture and equipment	20% on cost
♦ Computer equipment	20% on cost
♦ Transport	20% on cost

### Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Land held for investment is included in these accounts at fair value based on open market value. The land valuation is at trustees' assessment based on professional advice from Montagu Evans.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are credited (or debited) in the statement of financial activities in the year in which they arise.

### Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

## **Principal accounting policies Year to 31 March 2024**

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund accounting**

Endowment Funds comprise monies donated which are not to be expended. Only the income can be used for the charitable objectives of the Home.

Restricted Funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Designated Funds comprise monies set aside out of unrestricted general funds and designated for specific purposes, although the Board of Trustees may ultimately use such funds for other purposes.

The General Fund comprises those monies which are freely available for application towards meeting the charitable objectives of the Home at the discretion of the Board of Trustees.

### **Pension costs**

From 1 April 2014, British Home is operating a defined contribution scheme. Contributions are recognised in the statement of financial activities when payable.

**1 Donations and legacies**

	Unrestricted £	Restricted £	2024 £
Donations inclusive of reclaimed tax	70,882	5,113	75,995
Legacies	598,250	—	598,250
<b>Total 2024</b>	<b>669,132</b>	<b>5,113</b>	<b>674,245</b>

	Unrestricted £	Restricted £	2023 £
Donations inclusive of reclaimed tax	69,785	3,000	72,785
Legacies	212,621	—	212,621
<b>Total 2023</b>	<b>282,406</b>	<b>3,000</b>	<b>285,406</b>

**2 Investment income**

	Unrestricted funds	
	2024 £	2023 £
Sarasin – CIF ALPHA fund units	178,598	183,710
COIF – Investment fund income units	161,296	174,259
	<b>319,894</b>	<b>357,969</b>
Interest receivable	5,470	1,446
<b>Total</b>	<b>345,364</b>	<b>359,415</b>

**3 Income from charitable activities**

Income from charitable activities comprises fees from medical and nursing services and is unrestricted.

**4 Other Income**

	Unrestricted funds	
	2024 £	2023 £
Other	—	1,828
COVID-19 Sustainability Payment	28,468	—
Digitising social care fund (DSCF)	53,058	13,000
	<b>81,526</b>	<b>14,828</b>

**5 Expenditure on raising funds**

	Unrestricted funds	
	2024 £	2023 £
Other costs (including staff costs)		
• Direct costs	71,831	96,813
• Support costs	61,962	50,564
	<b>133,793</b>	<b>147,377</b>

**6 Expenditure on charitable activities**

	Unrestricted £	Restricted £	2024 £
Medical and nursing services			
. Direct costs	5,588,883	—	5,588,883
. Support costs	3,139,101	5,113	3,144,214
	<u>8,727,984</u>	<u>5,113</u>	<u>8,733,097</u>
	Unrestricted £	Restricted £	2023 £
Medical and nursing services			
. Direct costs	5,101,598	—	5,101,598
. Support costs	2,733,847	—	2,733,847
	<u>7,835,445</u>	<u>—</u>	<u>7,835,445</u>

**7 Analysis of support costs**

	Raising funds £	Charitable activities £	2024 £
Staff costs	23,418	924,526	947,944
Administration	13,906	396,330	410,236
Housekeeping – fuel & rates	3,249	267,527	270,776
Housekeeping – other	13,660	929,441	943,101
Depreciation	1,188	169,538	170,726
Repairs & maintenance	2,262	191,358	193,620
Insurance	1,239	102,027	103,266
Other costs	1,973	75,615	77,588
Governance costs	1,067	87,852	88,919
<b>Total support costs</b>	<u>61,962</u>	<u>3,144,214</u>	<u>3,206,176</u>
	Raising funds £	Charitable activities £	2023 £
Staff costs	22,645	860,212	882,857
Administration	7,482	225,454	232,936
Housekeeping – fuel & rates	2,725	224,361	227,086
Housekeeping – other	13,059	851,381	864,440
Depreciation	881	135,865	136,746
Repairs & maintenance	—	196,495	196,495
Insurance	1,172	96,462	97,634
Other costs	1,563	58,234	59,797
Governance costs	1,037	85,383	86,420
<b>Total support costs</b>	<u>50,564</u>	<u>2,733,847</u>	<u>2,784,411</u>

Included within governance costs is auditor's remuneration of £31,800 (2023 – £28,200) and £48,562 (2023 – £55,620) for professional fees which included strategy development work and trustee recruitment.

**8 Staff costs**

	2024 £	2023 £
Wages and salaries	4,399,971	3,587,988
Social security costs	444,831	378,402
Pension costs	200,108	204,930
Redundancy costs	33,784	8,609
	<b>5,078,694</b>	<b>4,179,929</b>

The number of employees during the period who earned over £60,000 in the year is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	—
£80,001 - £90,000	1	1
£90,001 - £100,000	—	—
£100,001 - £110,000	—	1
£110,001 - £120,000	—	—
£120,001 - £130,000	1	—

The average number of employees analysed by function was:

	FTE* 2024	Head Count 2024	FTE* 2023	Head Count 2023
*Full time Equivalent				
Nursing and care	107	113	84	127
Maintenance	4	4	3	5
Reception and portering	4	6	4	4
Management and administration	10	13	10	13
	<b>125</b>	<b>136</b>	<b>101</b>	<b>149</b>

Catering, cleaning, and laundry are outsourced, but with staff dedicated to British Home. Average numbers of catering and cleaning staff during the year were FTE 13/ Head Count 20 (2023 FTE 11 / Head Count 18).

***Remuneration of key management personnel***

No trustee received any remuneration in respect of their services during the year. No trustees were reimbursed for travel expenses in the year (2023 – £nil).

During the year, the total remuneration, including pension contributions and employer's national insurance contributions, of key management personnel was £345,560 (2023 – £344,739).

**9 Related party transactions**

No member of the Board of Trustees nor any officer of the Home had any beneficial interest in any contract with the Home during the year.

## 9 Related party transactions (continued)

The Home has purchased insurance to protect it from any loss arising from any neglect or defaults of any member of the Board of Trustees or employee and to indemnify any Board Member or employee against the consequence of any neglect or default on their part. The total cover provided by such insurance is £2,000,000 (2023 – £2,000,000) and the insurance premium paid by the Home during the year totalled £1,814 (2023 – £2,555).

Donations from trustees totalled £1,620 (2023 – £120).

## 10 Taxation

British Home and Hospital for Incurables is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 11 Tangible fixed assets

	Freehold building £	Hospital equipment £	Computer equipment £	Transport £	Total £
<b>Cost</b>					
At 1 April 2023	3,779,099	217,280	189,810	15,980	<b>4,202,169</b>
Additions	139,217	10,712	49,721	—	<b>199,650</b>
At 31 March 2024	<u>3,918,316</u>	<u>227,992</u>	<u>239,531</u>	<u>15,980</u>	<b>4,401,819</b>
<b>Depreciation</b>					
At 1 April 2023	3,349,605	109,824	96,452	12,784	<b>3,568,665</b>
Charge for the year	99,017	39,434	29,080	3,196	<b>170,727</b>
At 31 March 2024	<u>3,448,622</u>	<u>149,258</u>	<u>125,532</u>	<u>15,980</u>	<b>3,739,392</b>
<b>Net book values</b>					
At 31 March 2024	<u>469,694</u>	<u>78,734</u>	<u>113,999</u>	<u>—</u>	<b>662,427</b>
At 31 March 2023	<u>429,494</u>	<u>107,456</u>	<u>93,358</u>	<u>3,196</u>	<b>633,504</b>

The original land and buildings were acquired in 1894. Between 1898 and 1994 their cost and subsequent additions were not recorded in the balance sheet. For many years the accounting policy for freehold land and buildings recognised that it was not possible to ascertain the cost of land and buildings and until 1 January 1994 the cost of additions were written off as incurred. In 1994 the accounting policy was changed and subsequent expenditure on additions and improvements to buildings have been capitalised. The book value, after depreciation, of land and buildings acquired prior to 1994 is not regarded as material. The New Wing, which opened in 1996, is classified as freehold buildings.



**12 Investments**

Investments held at 31 March 2024 comprised the following:

	Investment property £	Listed investments £	2024 £
Market value at 1 April 2023	350,000	10,650,916	11,000,916
Additions at cost	—	20,000	20,000
Disposals at opening book value	—	(1,469,917)	(1,469,917)
Revaluation	(150,000)	—	(150,000)
Net gains	—	780,598	780,598
Market value at 31 March 2024	200,000	9,981,597	10,181,597
Cash held by investment advisors for re-investment	—	549,165	549,165
<b>Total investments</b>	<b>200,000</b>	<b>10,530,762</b>	<b>10,730,762</b>
Historical cost of investments at 31 March 2024	—	8,136,799	8,136,799
	Investment property £	Listed investments £	2023 £
Market value at 1 April 2022	350,000	12,751,371	13,101,371
Disposals at opening book value	—	(1,500,000)	(1,500,000)
Net gains	—	(600,455)	(600,455)
Market value at 31 March 2023	350,000	10,650,916	11,000,916
Cash held by investment advisors for re-investment	—	1,062,789	1,062,789
<b>Total investments</b>	<b>350,000</b>	<b>11,713,705</b>	<b>12,063,705</b>
Historical cost of investments at 31 March 2023	—	8,810,854	8,810,854

The investment property is a share in land held on behalf of five charities. The valuation is at trustees' assessment based on professional advice from Montagu Evans. The land value has fallen since the 2019 valuation by Montagu Evans, based on changes in the investment market and current economic climate.

**13 Debtors**

	2024 £	2023 £
Fee debtors	676,688	442,872
Prepayments and accrued income	647,007	120,857
	<b>1,323,695</b>	<b>563,729</b>

Prepayments and accrued income at 31 March 2024 include legacies of £443,800 (2023 – £21,044).

#### 14 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	240,150	126,351
Amounts held on behalf of residents	62,983	56,245
Accruals and deferred income	306,836	568,181
Social security and other taxation	232,868	204,295
Other creditors	347,756	321,401
Liability on withdrawal from pension scheme	1,247,000	778,000
	<b>2,437,593</b>	<b>2,054,473</b>

Note: A corresponding asset for residents' monies is included in cash at bank (see note 21).

Included above is deferred income which relates to income receivable in 2023/24 which can be analysed as follows:

	2024 £	2023 £
Deferred income brought forward	113,944	162,844
Deferred in the year	113,548	113,944
Released in the year	(113,944)	(162,844)
Deferred income carried forward	<b>113,548</b>	<b>113,944</b>

#### 15 Operating lease commitments

At 31 March 2024, the Charity had the following total commitments under operating leases on plant and machinery as follows:

Amounts payable:	2024 £	2023 £
Within one year	6,241	4,281
In two to five years	12,481	—
	<b>18,722</b>	<b>4,281</b>

#### 16 Endowment fund

	2024 £	2023 £
The D.O. Beale Trust	<b>12,477</b>	<b>12,477</b>

#### 17 Restricted fund

In the year to 31 March 2024 the charity received £5,113 in restricted funds (2023 – £3,000). These funds were raised and expended on the re-decoration of the hairdresser and beauty salon for the wellbeing of the residents and supported by NatWest Bank.

**18 Designated funds**

The income funds of the Home include the following designated funds which have been set aside out of unrestricted funds by the Board of Trustees for specific purposes:

	At 1 April 2023 £	Released/ added in year £	New designations £	At 31 March 2024 £
Tangible fixed assets fund	633,504	(170,727)	199,651	662,428
Continuity of Care fund	5,900,000	—	—	5,900,000
Major and Cyclical Maintenance fund	2,000,000	(78,855)	78,855	2,000,000
	<u>8,533,504</u>	<u>(249,582)</u>	<u>278,506</u>	<u>8,562,428</u>

	At 1 April 2022 £	Released/ added in year £	New designations £	At 31 March 2023 £
Tangible fixed assets fund	569,654	(136,746)	200,596	633,504
Continuity of Care fund	5,900,000	—	—	5,900,000
Major and Cyclical Maintenance fund	2,000,000	(18,847)	18,847	2,000,000
	<u>8,469,654</u>	<u>(155,593)</u>	<u>219,443</u>	<u>8,533,504</u>

***Tangible fixed asset fund***

An amount equivalent to the net book value of tangible fixed assets at the end of the year is designated to recognise that they are not available for general use as they are not readily realisable.

***Continuity of care fund***

This fund has been established to meet the charity's obligations to provide essential services for all parties in the event of a critical incident. The fund provides for approximately 9 months running costs, in accordance with the reserves policy.

***Major and cyclical maintenance fund***

This fund has been established as the charity operates from an old Victorian building which is both expensive to maintain and occasionally requires costly unplanned major repairs to the buildings infrastructure. The trustees are developing a ten year plan for updating the property.

**19 Analysis of net assets between funds**

	Restricted fund £	Endowment fund £	Designated funds £	General fund £	Total 2024 £
<b>Fund balances at 1 March 2024 are represented by:</b>					
Tangible fixed assets	—	—	662,427	—	662,427
Investments	—	12,477	7,900,001	2,818,284	10,730,762
Current assets	3,000	—	—	1,733,548	1,736,548
Creditors: amounts falling due within one year	—	—	—	(2,437,593)	(2,437,593)
<b>Total net assets</b>	<u>3,000</u>	<u>12,477</u>	<u>8,562,428</u>	<u>2,114,239</u>	<u>10,692,144</u>

**19 Analysis of net assets between funds (continued)**

	<i>Restricted fund £</i>	<i>Endowment fund £</i>	<i>Designated funds £</i>	<i>General fund £</i>	<i>Total 2023 £</i>
<i>Fund balances at 1 March 2023 are represented by:</i>					
<i>Tangible fixed assets</i>	—	—	633,504	—	633,504
<i>Investments</i>	—	12,477	7,900,000	4,151,228	12,063,705
<i>Current assets</i>	3,000	—	—	1,127,932	1,130,932
<i>Creditors: amounts falling due within one year</i>	—	—	—	(2,054,473)	(2,054,473)
<i>Total net assets</i>	<u>3,000</u>	<u>12,477</u>	<u>8,533,504</u>	<u>3,224,687</u>	<u>11,773,668</u>

**20 Pension commitments**

The Home operated a defined benefit pension scheme providing benefits based on final pensionable pay until 31 March 2014. The defined benefit pension scheme closed to new members and future accrual as at 31 March 2014. The most recent triannual valuation of the scheme was at 1 April 2016.

In February 2018, after seeking advice from their advisors KPMG, the trustees took the decision to buyout of the scheme and a total liability of approximately £1,788,000 crystallised. During 2018, £1,010,000 was paid and the amount outstanding has increased due to changes in market conditions at 31 March 2024 and now estimated to be £1,247,000. The updated estimated liability is based on information provided by the trustees' professional advisors and Aviva, the insurers.

The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the charity does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As such and as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount recognised in the statement of financial activities represents the charity's contributions payable to the Plan in respect of the accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

**21 Cash at bank**

Cash at bank of £412,853 on 31 March 2024 (2023 – £567,203) includes £62,983 held on behalf of the residents of the Home (2023 – £56,245). A corresponding liability for these monies is included in creditors (note 14).