

**Brothers of Charity Services in the
United Kingdom**

(Registered as the Congregation of
the Brothers of Charity)

Charity No: 234252

For the year ended 31 March 2023

**Annual Report and
Financial Statements**

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Charity Information

Charity registration number 234252

Principal office: Lisieux Hall
Dawson Lane
Whittle-le-Woods
Chorley
PR6 7DX

Trustees: Brother John Finbar O'Shea
Brother Augustine Thomas Hassett
Brother Patrick Joseph Killoran
Brother Richard Noel Corcoran
Stephen Robinson (resigned on 11 July 2023)

Chief Executive Officer: Lisa Gregory

Bankers: The principal banker for the Charity is:

Brothers of Charity – Provincial

AIB Group (UK) Plc
10 Berkeley Square
London
W1X 6DN

The following bankers are also utilised by the Charity:

Brothers of Charity Services – Merseyside (Thingwall Hall)

Royal Bank of Scotland
1 Dale Street
Liverpool
L2 2PP

Brothers of Charity Services – Lancashire (Lisieux Hall)

Royal Bank of Scotland
36 St Andrew Square
Edinburgh
EH2 2YB

Investment advisers: Rathbone Investment Management Limited
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

Auditor: Mazars LLP
One St Peter's Square
Manchester
M2 3DE

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

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Report of the Trustees

Introduction

This report from the Trustees of the Brothers of Charity Services in the United Kingdom (also known as the Congregation of the Brothers of Charity) is provided in association with the presentation of the financial statements for the year ended 31 March 2023.

Mission Statement

The Trustees of the Congregation of the Brothers of Charity joyfully engage with all people of goodwill in building a better world for every human being and most especially for and with people who are in danger of being marginalised. They do this out of their spiritual heritage as a Religious Congregation in the Roman Catholic Christian tradition and based on the inspiration of their Founder, Canon Peter Joseph Triest.

Brief Historical Note

The Congregation of the Brothers of Charity is part of an international Religious Congregation with headquarters in Rome and with foundations in more than 25 countries around the world.

The organisation was founded in Ghent, Belgium in 1807 by Canon Peter Joseph Triest. The Brothers of Charity established their first foundation in Britain in the 1880s. Initially, the work in Britain concentrated on supporting and educating young boys, providing them with the skills necessary to enter the workforce and adult life in general. In 1931 the Brothers of Charity opened their first service to support adults with learning disabilities in Lancashire. This support is provided in the Merseyside and Lancashire Regions in England and in the Borders Region in Scotland. With effect from 1 April 2007, the services in Scotland became incorporated as the Brothers of Charity Services (Scotland) and now operate as a separate legal entity from the services in Lancashire and Merseyside.

The Defining Characteristics

It is vital to the identity of the services of the Brothers of Charity in England and Wales that the defining characteristics of the Congregation continue to inform and motivate our work, and that we evaluate our services against them. These characteristics, which have shaped the work of the Brothers of Charity since their foundation, are:

- Opting for the most marginalised people in society
- Integrating the best of current trends in service provision
- Striving for the highest possible human dignity in their services
- Valuing expertise highly
- Having an enterprising approach to the organisation and structure of services
- Being willing to function within a social framework and to be recognised by the authorities
- Working in co-operation with other groups to achieve agreed objectives
- Finding final motivation in the Gospel

Organisation and Administration

The ultimate authority in the Congregation rests with the General Chapter which is an assembly of representatives of the Brothers from throughout the world that meets every six years to review the Constitutions (a text offering Inspiration and Guidance) and to elect a Superior General and a General Council who are assigned the task of governing the Congregation.

Report of the Trustees (continued)

Administratively, the Congregation is divided into four 'Provinces' and within each Province there are a number of Regions. Britain and Ireland form the Region known as 'St Joseph's' which is a part of the European Province. The Superior General and his Council appoint a Regional Leader and a Regional Team with full responsibility for all aspects of the mission of the Congregation within their Region. They are directly responsible for the organisation and spiritual animation of the religious communities within their Region. They are also responsible for the determination, organisation and spiritual animation of the works to be undertaken in the name of the Congregation. In England and Wales this task is carried out on their behalf by the 'Trustees of the Congregation of the Brothers of Charity' - a Trust which has its own Trust Deed approved in 1964. The Trust Deed was amended further in 1996. In accordance with the Trust Deed, the Regional Leader appoints the Trustees. These Trustees are responsible for the management and operation of the Congregation of the Brothers of Charity in England and Wales (which also holds all of the properties of the Congregation in Scotland, England and Wales).

The Brothers of Charity Services in the United Kingdom recognises that a suitably skilled, experienced and well supported board of Trustees is essential if the charity is to be effective both in achieving its Mission Statement and successfully delivering our charitable objects. The Trustees of the Brothers of Charity Services in the United Kingdom ensures its individual Trustee members have full access to all the knowledge and skills required to govern and lead the charity effectively. The Trustee Board ensures that individual trustees have sufficient knowledge, both of trusteeship of the Charity's activities in general and to enable them to carry out their role and to represent the Charity fully. This knowledge is supported by ongoing formation training, mentoring and support for the individual Trustees throughout their tenure.

As new Trustees are appointed, the Trustees of the Brothers of Charity Services in the United Kingdom ensures that the induction process is arranged and completed appropriately. A suitable training programme will be provided to ensure that any newly appointed trustee will receive training on all matters necessary to enable them to perform their duties effectively. This will be tailored to their specific needs and would address key Trustee responsibilities and areas of knowledge such as the Ethos of the charity, Formation training, Charity Governance and Management; Equal Opportunities; a thorough introduction to the range and scope of our current Charitable Activities; Charity Finances; Safeguarding reporting procedures and an explanation of all Charity Policies and Procedures relevant to Trustee activity and governance.

If the new Trustee is to take on any specific duties then any required training needs required in relation to their role will also be assessed and training provided as appropriate. An experienced existing Trustee will also be made available as a key contact point, or mentor, for the new trustee and would be available to speak to, or meet with, the new trustee from time to time to answer any questions that may arise.

In this way, the formal framework of induction and training of any person appointed as a Trustee of the Brothers of Charity Services in the United Kingdom is a supportive and positive experience to ensure we continue to provide good Trustee governance and leadership to the Brothers of Charity Services in the United Kingdom going forward.

The services in England and Wales are provided in Merseyside, Greater Manchester and Lancashire with the services in Greater Manchester being managed through Merseyside. In Merseyside and Lancashire each Region has a Regional Director and Directorate reporting to a Chief Executive and National Directorate who in turn report to the Trustees. The Trustees and the National Directorate seek to give each Region as much autonomy as possible within the framework of overall accountability and encourage each Regional Director and Directorate to have the Principle of Subsidiarity firmly in mind in the organisation of the Services within the Region.

Report of the Trustees (continued)

Public Benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning the future activities of the Charity.

The Charities Act 2011 sets out descriptions of charitable purposes that are for the public benefit. The defining characteristics of the Brothers of Charity as set out above incorporate some of these charitable purposes, being:

- The advancement of religion
- The advancement of community development
- The relief of those in need by reason of disability

The Charity fulfils these purposes by:

- Providing personalised support for individuals with learning disabilities by working in conjunction with families and commissioners
- The provision of holy spaces, churches and services of worship
- Contributing towards a better society by promoting social cohesion and integration
- The production and development of community programmes in partnership with other agencies
- The carrying out, as a practical effect of religious beliefs, pastoral support for all those who seek it
- Placing no restrictions of any kind or nature on those who can be assisted by the services of the Charity

The achievements and performance of the Charity, as detailed on the following pages, describe the benefits to the public and those people using the services provided by the Brothers of Charity Services.

The Brothers of Charity Services in England Annual Year End Report – Review of Activities:

Care Directorate Report

Summary

A number of people we support have passed away over 2022/23. All of the people that had the honor of sharing their lives miss them everyday.

Care Quality Commission has continued to carry out electronic monitoring exercises, there have not been any recommendations for any of the services.

We still have some issues with pay rates as there are a number of local organisations that give a higher rate of pay. We need to work towards a real living wage so that we can employ staff to fill the contractual hours from Commissioners which in turn will ensure we use less agency staff.

We are carrying a high number of room vacancies which are not being filled due to Commissioners working with Housing Associations to build apartment blocks.

This year we achieved the Customer Excellence Gold award.

Questionnaires were sent to families and service users with good feedback for all areas.

Commissioners are carrying out assessments across all areas with a view to try and reduce support hours.

Although we are not seeing high numbers of covid cases as we did in 2020/21 we are still seeing spikes in certain areas.

Housing Associations continue to provide unacceptable timescales for property repairs in the homes of the people we support.

Report of the Trustees (continued)

Merseyside Supported Living

Two of the service users we support got engaged on Valentine's Day. This year, Merseyside Fire and Rescue Services have continued to rigorously inspect supported living properties regarding fire safety.

We continue in most locations to achieve the bench mark and above at audit inspections.

Greater Manchester Services

The Greater Manchester Service Area has maintained a high level of Compliance across a number of key areas, Health & Safety Compliance Audits have achieved 100%, Learning and Development again achieving 100% and Care Compliance has maintained constantly above 99.5%.

We continue to slowly grow the service to support some of the most vulnerable people in the Greater Manchester area.

Lancashire Services

We have now entered into the second year on the Approved Provider List with Lancashire County Council and have successfully completed the agreed actions for the first full financial year 2022–2023.

After some time, we have now managed to get a steady management team in place.

A family group meeting has been set up chaired by Head of Service. This has proved to be very positive and will continue on a regular basis.

We have achieved 100% in the annual KPI achievements in-line with the annual contract's monitoring.

Day Services:

Food Based Enterprises

The Food Base Enterprises have received the Customer Excellence Compliance + Award in two awarding categories firstly for the Talking Tables Scheme, helping to reduce isolation and loneliness in the community.

Holistic Therapy Service

The service continues to operate regionally in Lancashire, Greater Manchester and Merseyside, with the total number of service user clinics delivered reaching 67, the number of staff benefitting from Holistic Therapy interventions was 208.

Summerhill Gardens – Merseyside

The services have continued to grow and develop opening up more opportunities for the people we support. We are currently holding taster sessions.

Pets Corner – Lancashire

Pets Corner is, as ever, incredibly popular and loved and enjoyed by all who attend. The service also has its own vegetable garden where service users are involved in the growing process from seed to harvest, this also helps to sustain the animals and enrich their diets too.

The Resource Centre, Merseyside

The service has recently seen a very welcomed refurbishment of both The Olive Tree catering service and the main centre including all its rooms and corridors. The environment is light, bright and more modern with the addition of new tables, chairs and a fully refurbished wet room including a new tracking hoist.

Report of the Trustees (continued)

Fare Share Initiative / BoC Cafes

We have signed up to the Fare Share Initiative that has helped keep our prices lower than normal high street prices which in turn has helped retain our existing customer base.

Fare Share is the UK's national network of charitable food redistributors, made up of 18 independent organisations. Together they take good quality surplus food from right across the food industry and get it to nearly 8500 frontline charities and community groups.

Nursing Services

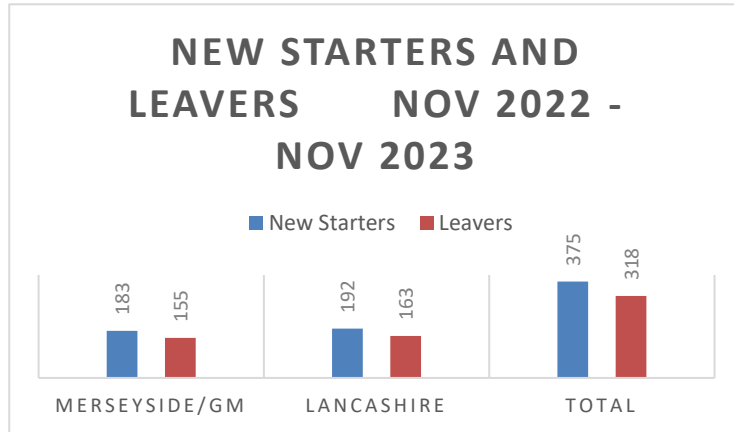
Within the last 12 months we have continued to ensure the safety of service users and staff wellbeing by ensuring that strict infection control procedures are in place.

We continue to support student Nurses from Liverpool, Chester and Lancashire. The students enhance the learning environment in the home and encourage all staff to remain up to date with learning.

We have maintained The Gold Standard Award for Infection Control.

Report of the Trustees (continued)

People Directorate Report



The Turnover rate for the Sector sits at 28.3% for 2022/23 (source: skills for care) At BOCS England, our Turnover is currently 30.3%, which is +2% from the national average.

From when a role is offered, the average time for onboarding is 4 weeks. This is due to roles requiring DBS checks prior to commencing with the Service.

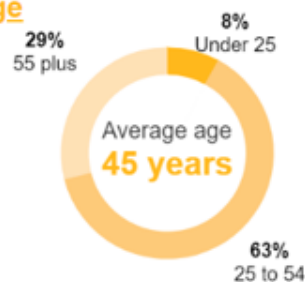
Demographics

National Averages:

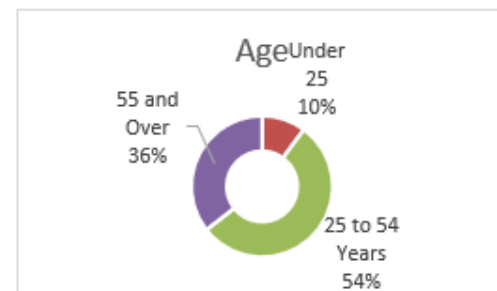
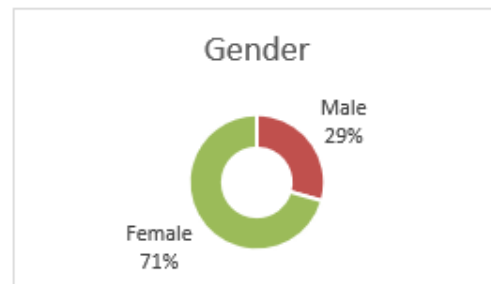
Gender



Age



Brothers of Charity Services England:



Report of the Trustees (continued)

Key Achievements

- Our annual IIP reassessment confirmed we continue to maintain investment in people gold accreditation.
- Following our Customer Service Excellence accreditation review in October, the centre for assessment assessor Hugh Keachie confirmed after meeting with CSE champions and a selection of staff, customers and partners that the Services have maintained full compliance with the Customer Service Excellence Accreditation and achieved nine compliance plus elements which is a huge achievement
- We continue to promote our Health & Wellbeing Strategy and now have a number of qualified Mental Health First Aiders available to offer support across our English services.
- In line with our Apprenticeship Strategy we continue to offer a range of apprenticeship programmes in care, management, business administration and a range of higher level programmes.
- We restructured the HR team with a focus on adding value and developing managers

Key Challenges

- High levels of absence, especially due to Mental Ill Health, including stress (home and work)
- Retention – high numbers of individuals failing probation
- Introduction of iTrent management information system for HR, Recruitment and L&D
- Carry out TUPE process – prior to incorporation

Learning and Development Average Compliance Rates:

Date	MSIDE	LANCS	Total
Nov-22	99.96%	98.12%	99.04%
Dec-22	100%	98.95%	99.48%
Jan-23	100%	99.36%	99.68%
Feb-23	100%	99.53%	99.77%
Mar-23	100%	99.52%	99.75%
Apr-23	100%	99.70%	99.85%
May-23	99.98%	99.74%	99.86%
Jun-23	99.97%	98.74%	99.36%
Jul-23	100%	99.16%	99.58%
Aug-23	99.96%	99.34%	99.65%
Sep-23	99.96%	99.73%	99.85%
Oct-23	100%	99.83%	99.92%
Nov-23	99.98%	99.85%	99.92%
Overall			99.67%

Report of the Trustees (continued)

Key Training delivered:

- Investigation training via ACAS
- Risk Assessment training for managers
- Mental Health First Aid
- PBS training for existing and new starters
- Safe Swallowing training
- Jeg & Peg feeding training
- Training Records for Grounds Maintenance
- Presentation Skills
- Lead to Succeed - 5 session management course
- LANTRA Chainsaw Training
- LCIC Leading Change Improving Care Course
- 21ST Downs Syndrome Awareness
- Midas Mini Bus Training
- CQC Training - HLTH group
- CDPO training for the compliance team
- Excavator training
- Relationships and sexuality train the trainer
- Moving and lifting train the trainer

As of November 2022 we have had 24 staff achieve qualifications:

- 12 x L2 Adult Care
- 4 x L3 Lead Adult Care
- 1 x L3 Team Leader
- 1 x L3 Recruitment
- 1 x L3 HR Support
- 5 x L3 Business Admin

Report of the Trustees (continued)

Estates & Maintenance Directorate Report

Properties fit for purpose

Brothers of Charity currently own 33 domestic properties around the North West, these properties are currently home to persons with learning disabilities. Working on full capacity the properties can accommodate 148 tenancies.

During recent times it is apparent that the commissioners are now being more selective when issuing new commissions. Tenants aspirations have also changed and what was an acceptable standard some years ago has now moved on. Residents now want homes for life, properties that are on one level with modern bathing facilities. As a result a number of BOC properties are now no longer a desirable option, as residents move on we are being left with empty spaces which cannot be back filled. To ensure that our unit costs are kept low we are having to relocate current tenants from less favourable properties into other BOC properties that meet the required standards. This now leaves a number of BOC properties empty with no rental income.

To reduce further risk we are undertaking an appraisal of the stock with a view of disposing of properties that can no longer be let, new suitable properties will be acquired to replace these. Working closer with the commissioning team will ensure that we are purchasing properties that can be supported by BOC.

Lisieux Hall:

Social Centre

The social centre at Lisieux hall has stood empty for many years - it was previously used as a social club. A recent review of the building supported a full refurbishment of the same, this work has allowed the building to be brought back into life and is to be used as an outlet for administration, training, and delivery of the day services. The facilities team started work in November 2022, they quickly provided secure space for the commercial printing machine to be transferred from King Street, and the BOC administration team can now perform printing activities from this new dedicated space on site.

The first floor of the building has had a total transformation/ re modelling. Two large office spaces have been created, toilets and a large kitchen have been provided. All rooms have been complemented with a contemporary coloured finished. The large open plan room has retained many of its historic finishes, including the old oak beamed ceiling. New lighting and flooring has been installed to bring the building back to a comfortable quality finish.



Report of the Trustees (continued)

Road resurfacing

To support the newly refurbished Social centre, we have resurfaced the area directly in front of the building. This has created a safe pedestrian area which will shortly be furnished with benches and planting providing an area for seating and alfresco eating. The resurfacing carries down towards the poly tunnels, giving full access to the land behind.

Community House

The building is now vacant, to preserve the buildings value, we have made the same wind and weather proof, new doors and windows have been fitted, this will stop the building falling into disrepair.

The Meadows

This building has had a refresh and is now being used for supported living, Halo housing are acting as landlords for BOC.

St Teresa's

We continue to appraise office spaces and to refresh as required. New dedicated training facilities have been created to support business development.

New carpark facilities

Additional carpark facilities have been created behind the Caritas Hub, these facilities will support the growth of the business providing additional parking spaces for both staff and visitors to Lisieux Hall.

Electric vehicle charging points

To reduce BOC carbon footprint and to encourage staff to move to Electric vehicles, 4 new charging points have been installed around the site.

Thingwall Hall

Development of BOC buildings are now undertaken by our own in house maintenance teams. By using the in house team we have greater control of costs and standards.

Report of the Trustees (continued)

Woodview Court

The team undertook a full refurbishment of a set of buildings, creating 5 one bed self-contained apartments with modern facilities including walk in wet rooms, fully fitted kitchen with integral appliance. The building now benefits from double glazed windows, low energy lighting and efficient heating systems. The cost of the development was bench marked against an external contractor, the FM team was able to undertake the work at 50% of the external contractor's quotation.



The Resource Centre

The Olive Tree Restaurant- The facilities management team have recently undertaken a refresh of the restaurant seating area, the service can now cater for larger events. Modern furniture and refreshed paint work provides a clean inviting feeling for visitors.



Report of the Trustees (continued)

Wet room

A purpose built wet room / changing area has been created, visitors can now experience dignified, showering and changing in modern clean facilities.



Land base service

To complement the growth in the land base day service currently being delivered in Lancashire, we have brought back into use the greenhouses at Thingwall Hall. Early indications point to this new service in Liverpool being very well received with lots of interest, commissioners have visited the site and have offered their support.



Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Report of the Trustees (continued)

Advocacy Report



Hate Crime Project

Becky is a hate crime ambassador and along with the police we campaigned along the high street in Leyland. We asked the local shops to put stickers in their window letting people know that their shop was a safe space. Lots of local businesses joined the project.



Employability Fair

Becky & Clare attended an employability fair for sixth formers from Cardinal Newman College, Preston. They spoke to students who were considering becoming a support worker.

Report of the Trustees (continued)



Lancashire Community Cultural Engagement Event

We attended a Community Cultural event hosted by Lancashire County Council. We got to taste foods from other cultures as well as trying on some beautiful head pieces.



The Men's groups

Members of the Men's group visited lots different places this year. Here they are at Alston Observatory, Lancashire. Merseyside and Lancashire members came together to learn all about our solar system.



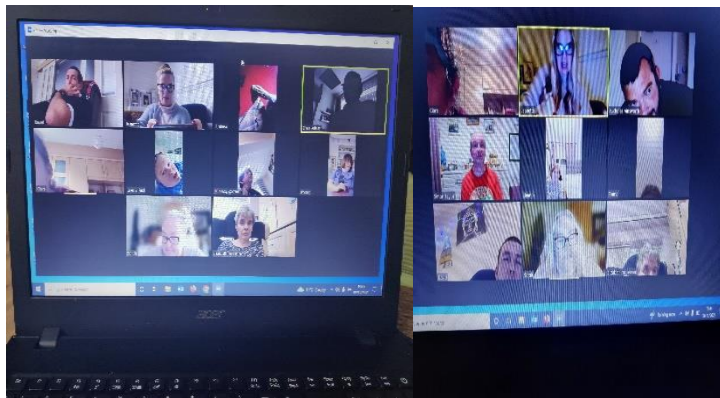
LGBTQ+ group

Members of the group went to watch Divina De Campo from Ru Paul's drag race.

Report of the Trustees (continued)

Voice for All Merseyside

Members of VFA at the Olive Tree café in the resource centre and RH standing proudly by the newly installed Olive tree wearing his LFC Christmas jumper (of course). The Olive tree is a new social enterprise and it offers a great space for the groups to meet.



Voice for All Lancashire

Members of VFA Lancashire self-advocacy group meeting over zoom. Not all meetings are face to face, we do and can hold meetings online or even arrange hybrid meetings upon request.



The reading group

The reading group won at the prestigious Progress soup dragon's event. We were approached by Progress housing to nominate the reading group for a grant for up to a £1000. Lizzie and Jean gave a great pitch about why the reading group would be worthy of winning, but unfortunately we didn't win first place but were runners up and received a cheque for £200. The group voted to purchase some new books, a DVD player and they also enjoyed a trip to the pantomime.

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Report of the Trustees (continued)



Recruitment Events

We attended another recruitment event at Preston North End.



Pathways Conference

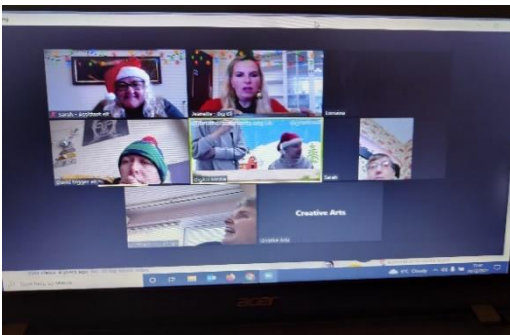
VFA Merseyside attending the Pathways 1-day conference in Liverpool. We did table work and shared our stories of lived experiences.

Report of the Trustees (continued)



Men's Group Greater Manchester

Stockport men's group generally meet up every Thursday, some pictures of our meeting on Thursday 1st December.



Zoom Calendar

Online Christmas activities, we love bringing the seasonal festivities to all the forums and groups and if people can't attend face to face there is always an opportunity to join online.



Voice for All Lancashire

VFA Lancashire sometime meet in their local Wetherspoons in Chorley. As it was the last meeting of the year we enjoyed a christmas meal and people gave each other Christmas cards and gifts.

Report of the Trustees (continued)



The Reading Group

Members of the group enjoying celebrating Christmas and enjoying some activities.



Online Carol Concert

Jeanette & Sarah co-hosting the online carol concert with Digital media & Day services.



Online Zoom activities

Pictures with the people we support and their families/carers attending online zoom activities.

Report of the Trustees (continued)

Strategic update and plans for future periods

Specific strategic development options and objectives in 2023 onwards are focussed as follows:

People Strategy Objectives:

- Develop the appropriate future facing 'People Strategy' policies and approaches for the BOCS England to become a true 'Employer of Choice' in the social care and charity sector;
- BOCS England to become an IIP Platinum Accredited Employer;
- Develop and Implement sustainable performance management systems geared to supporting and enhancing BOCS England strategic and tactical objectives;
- Develop and Implement market appropriate, sustainable remuneration and benefits initiatives and policies
- Proactively define and embrace new and creative employer approaches to flexible and remote working to support staff retention and employer attractiveness.
- Increased and structured organisational approaches to supporting positive physical and mental health and wellbeing staff and employer support initiatives;
- Ensure sufficient capacity in the structures, skills and experience at all levels of the BOCS England to offer sustainable careers to existing and prospective staff via a dynamic and supportive Learning and

Capital and Built Environment Development Strategy Objectives:

- Continued significant capital and revenue investment in the purchase, protection, augmentation and enhanced contribution from the United Kingdom Trust property platform currently utilised by the Services to ensure high quality care accommodation and work environments will continue to be provided supported and driven via professional property management skills.
- The transformation and expansion of the current rapidly aging configuration of Trust owned domiciliary care properties to reflect a much greater diversity in contemporary, client attractive supported living and care delivery models utilising the following accommodation configurations indicated as follows:
 - Self-Contained Apartments in a shared support setting
 - Bungalows in Community Settings
 - Increased utilisation of lifts in current ageing properties
 - Shared Flat Schemes

Service Development Strategy Objectives

- Establishment and expansion of new Cumbria and Wales & Cheshire based Service area focussing on development of ethos driven high care quality, compliant support services into these target development areas along with meeting increased population and development in these regions.

Report of the Trustees (continued)

- It is envisaged that the continued development and effective management of the English Services IT infrastructure and system capabilities will act as a key enabling platform for Service growth for local, regional, and national communication, cohesive development, and cost efficiency. This includes continued development of the ITrent integrated Workforce Development system along with exploration of rota management and care planning systemisation.
- Future development of Day Opportunities and Social Enterprises via social enterprise and day opportunities growth and replication across Service Areas will act as the primary Service Development initiative both in terms of increasing the diversity and reach of the delivery of the Mission Statement into our day service provision and thereon wider community programme action but also to realise a much more effective generation of Social Capital and resource platforms for the BOCS England going forward.
- Service diversification and strategic response options to support new and dynamic support option to include a Respite / Step Down Services at both Lisieux Hall and Thingwall Hall to support and relieve 'bed blocking' in NHS Services.
- Nursing Services Development: Potential Expansion of Nursing Provision at Merseyside to 50+ beds at Thingwall.

Corporate Governance / Structural Development Strategy

In terms of the Corporate Governance / Structural Development Strategy, the primary strategic objective of the progression of the Charitable Registration and Incorporation process for the BOCS England will require the definition and advancement of the appropriate legal and organisational arrangements for the development and effective establishment of two clear and distinct legal identities. This will enable a formal, mutually beneficial organisational separation between the Charitable Trust and the Services through a facilitative Charitable Registration and Company Incorporation process continues to be advanced.

The Trustee Board will arrange that appropriate framework support, skills and resourcing is put in place to facilitate the practical progression of the Charitable Registration and Incorporation process for both the Trust and the BOCS England to ensure that the key legal and wider assurance measures are developed, agreed and put in place to enable, protect and assure the future distinct pathways and ongoing wellbeing both of the Trust as a distinct legal entity retaining its own charitable organisational objectives and mission whilst enabling the Services to become a truly independent, lay led and controlled commercial care provider – the BOCS England - going forward.

Continued development of more effective and future facing flexible corporate structures and functions supporting the Charitable Registration and Incorporation process for the BOCS England will continue to be developed following the successful inception and continued development of shared service functions and cohesive shared service leadership.

The recruitment of a new CEO Designate for the Brothers of Charity Services has been progressed and is intended to become effective on formal Charitable Registration and Incorporation of the new service company, the BOCS England. The progression of the Charitable Registration and Incorporation process for the BOCS England focussing on establishment of functioning, inclusive Trustee and Executive Boards in due course.

Report of the Trustees (continued)

Financial performance, reserves and investments

The latest financial results for the year to the end of March 2023 are satisfactory given the annual operating conditions with net increase in funds of £654k (2021/2022 £481k).

Net losses from core activities amounted to £1,471k (2021/2022 gains of £1,251k) and gains of £2,125k (2021/2022 losses of £770k) arose from the fixed asset revaluation, investment portfolio and pension adjustment.

This result means that the Balance Sheet demonstrates total funds of £50,250k (2021/22 £49,596k) and these comprise unrestricted funds (net of the pension reserve) of £18,666k (2021/2022 £19,816k), restricted funds of £163k (2021/2022 £163k) and designated funds of £31,421k (2021/2022 £29,616k).

In line with the policies on returns and investments, and in conjunction with Rathbones Investment Management Ltd, the appointed investment advisors, investment portfolios have funds totalling £8,975k (2021/2022 £9,290k) as at 31 March 2023, in addition to substantial cash at bank on that date. The Trustees will continue to monitor performance with the assistance of their advisors.

Investments

The principles underlying the investment policy are being followed. These are:

- The primary aim in investing funds is to maximise the return on all assets without subjecting those assets to undue risk.
- So far as is practicable and within the constraints of UK law, investments will not be made in organisations engaged in activities that are likely, directly or indirectly, to hinder the achievement of its mission or which are inconsistent with its values.
- The identification and recommendation of appropriate investments will be delegated to a fund manager appointed by the Trustees. The fund manager will be responsible for ensuring that all investment decisions are taken within the scope of the powers of investment available to the Trustees and that those decisions are consistent with the duties set out in section 4 of the Trustee Act 2000.
- The fund manager is also responsible for ensuring that proposed investments are compatible with the Charity's ethical stance.
- The performance of the investment portfolio is reviewed half yearly by the appointed finance committee and formal meetings with the Trustees are held at least annually. Detailed reports are submitted to the Trustees quarterly.

Reserves

The Trustees have approved a reserves policy, its objectives are:

- The Trustees consider that it is appropriate and sensible to allow up to five years to achieve the proposed levels of reserves. The Services believe this timescale is reasonable and attainable.
- The Trustees believe that a minimum requirement for reserves for the Regional Services equates to three months' expenditure. This figure is assessed having examined the potential consequences of cessation of the Services.
- The Trustees have determined that the target for a national figure for reserves should be six months' expenditure as this is a prudent sum given the profile of the Charity, its employees and commitments.
- The targeted figure of reserves is examined on a quarterly basis as management accounts are produced and the results are reported to the Trustees on a regular basis by the Chief Executive.
- Once the target is met the policy will continue to be reviewed on a regular basis and its suitability or otherwise assessed by the Trustees.

Report of the Trustees (continued)

The Trustees have noted that the funding of the Services in particular is being subjected to considerable downward pressures as local and public authorities seek to balance their own budgets. The Trustees do not necessarily predict large surpluses for future years, and it is therefore important to build reserves now that will assist in the coming years. In addition, the Trustees will continue to press the public authorities for adequate and justified funding for all service users.

The Charity's reserves policy relates to general unrestricted funds, excluding tangible and intangible fixed assets and pension liability, and requires that a minimum level of 3 months' operational costs is held by the Regional Services. This has been met in the financial year 2021 / 2022 by both The Brothers of Charity Services in Merseyside and Greater Manchester and The Brothers of Charity Services in Lancashire.

The above reserves policy also includes a target level of 6 months' operational costs be held by the Charity and this has been met in the financial year 2022/2023.

The combined target level of reserves under the above reserves policy is £14.6m and the actual free reserves (representing general unrestricted funds excluding tangible and intangible fixed assets and pension liability) at 31 March 2023 is £18.3m. The trustees intend that the excess is used for purposes such as the refurbishment of existing and purchase of new property to enable the charity to develop and grow its services.

Risk Management

Within the Regions, the Trustees of the Brothers of Charity Services have ensured appropriate level of liaison has been maintained with the relevant authorities in the context of risk management.

Quality of care and safeguarding compliance is an essential and prioritised focus of our risk management for the Trustees of the Brothers of Charity Services in the United Kingdom. As such a robust system of regular internal operational quality compliance monitoring and reporting, constant quality driven policy improvement and procedure development, a real and unequivocal commitment to actively leading and promoting the duty of candor along with full support and access to ongoing external regulatory scrutiny provides a defined and detailed framework of clear and objective risk management assurance to the Trustees.

Health and safety issues continue to be given the necessary high level of importance within the Regions in line with policy and the appropriate level of professional advice is available and utilised.

The Trustees continue to engage the firm of PIB (insurance brokers) to advise and assist in addressing the management of risk throughout the Charity with a particular focus on the national level and their work is ongoing. There is regular liaison between the Regions in this matter with regular meetings chaired by PIB to ensure best practice and to ensure that the overall strategy of the Trustees is implemented.

Financial sustainability risk is managed through the provision of regular business planning, financial and commercial strategy formulation and dedicated monthly national and regional financial reporting and monitoring along with the scrutiny provided by the annual external audit process. The financial control in all Regions is now at the level of efficiency and effectiveness that had been targeted.

The annual review of insurance undertaken with our brokers further addresses all relevant risk issues. Based on the ongoing review of pension issues the level of risk continues to be gradually clarified and quantified as being not very significant in nature. The level of contribution was reviewed and adjusted as per advice received.

Report of the Trustees (continued)

Business continuity plans are regularly refreshed across the regional services to ensure that the Brothers of Charity Services would be able to continue its operations through any disruption or have plans to recover key services to the extent required by its stakeholders to ensure continuity of operations whilst satisfying legal and regulatory obligations.

Finally, the Brothers of Charity Services maintains a Strategic Risk Matrix which allows us to organisationally assess and support effective risk management action to define and identify the different occurrences and levels of organisational risk. The Strategic Risk Matrix is an effective risk management mechanism which allows us to increase the visibility of risks and assist management decision making and forecasting in the identification, assessment, and prioritisation of risk followed by coordinated application of action and resources to designed reduce and control the probable consequences of high-risk events to the Brothers of Charity Services and its wider range of stakeholders.

Pay policy for senior staff

The Trustees consider the Board of Trustees and the following senior staff as comprising the key management personnel of the charity in charge of directing and controlling the functions of the charity and running and operating the charity on a day to day basis:

- Regional Health and Safety Manager
- Regional Finance Business Partner
- Head of Supported Living and Specialist - Operational Area One
- Head of Supported Living - Operational Area Two
- Regional Lead Nurse
- Director of Care Quality and Compliance
- Regional Head of Learning and Development
- Area Director of Operations
- Regional Payroll Manager
- Chief Executive Officer Brothers of Charity Services / Company Secretary
- Senior Head of Service - Liverpool & Thingwall Supported Living
- Regional Head of Human Resources
- Regional IT and Communications Manager
- Head of Finance for Merseyside and Greater Manchester
- Regional Care Administration & Office Manager
- Regional Finance Director
- Head of Domiciliary Care and Support
- Regional Head of Day Opportunities
- Regional Head of Facilities & Estates Management
- Regional Marketing & Communications Manager

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in the accounts.

Report of the Trustees (continued)

The pay of the charity's chief executive is reviewed annually and normally increased if appropriate in accordance with the same inflationary increase as all other charity staff. In view of the nature of the charity, its economy of operational structures, and the complex nature and range of professional support provided by the CEO role to the Charity, the trustees consider that the current remuneration is appropriate for this role. The remuneration is also bench-marked with social care charities of a similar size and range of activities to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles in large charities.

Trustees' responsibilities for the financial statements

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations. The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 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.
- observe the methods and principles in the Charities SORP (FRS102);
- 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; and
- 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


In so far as each of the trustees is aware:

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

Auditor

Mazars LLP offer themselves for reappointment as auditor in accordance with the Trust Deed.

Approved by order of the Board of Trustees and signed by


A T Hassett (Feb 16, 2024 10:35 GMT)

Brother Alfred Hassett

TRUSTEE

16-Feb-2024

Independent auditor's report to the trustees of Brothers of Charity Services in the United Kingdom (registered as the Congregation of the Brothers of Charity)

Opinion

We have audited the financial statements of Brothers of Charity Services in the United Kingdom (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditor's report to the trustees of Brothers of Charity Services in the United Kingdom (registered as the Congregation of the Brothers of Charity) - continued

Matters on which we are required to report by exception

In 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 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities Act 2011.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Independent auditor's report to the trustees of Brothers of Charity Services in the United Kingdom (registered as the Congregation of the Brothers of Charity) - continued

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

Use of the audit 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.

Signed: Michael Speight
Michael Speight (Feb 16, 2024 11:20 GMT)

Michael Speight
Mazars LLP Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

Date: 16-Feb-2024

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds 2023 £	Total Funds 2022 £
<i>Income</i>						
Donations, legacies & gifts		279	-	23,000	23,279	1,032
Income from charitable activities:						
Statutory Authority contracts		26,626,490	-	-	26,626,490	25,458,688
Income from other trading activities:						
Trading income		97,434	-	-	97,434	66,303
Investment income		299,219	-	-	299,219	154,587
Other income		1,628,088	-	-	1,628,088	1,549,041
Total income		28,651,510	-	23,000	28,674,510	27,229,651
<i>Expenditure</i>						
Expenditure on charitable activities:						
Provision of core services; statutory authority contracts	4	30,085,546	-	151,625	30,237,171	26,086,307
Costs of raising funds		78,493	-	-	78,493	6,961
Trading expenditure		(175,000)	-	-	(175,000)	(123,000)
Pension scheme operating credit	19	5,000	-	-	5,000	8,000
Other pension finance costs	19		-	-		
Total expenditure	5	29,994,039	-	151,625	30,145,664	25,978,268
Net income/(expenditure) before transfers		(1,342,529)	-	(128,625)	(1,471,154)	1,251,383
Transfers between funds		498,107	-	(498,107)	-	-
Net income/(expenditure) for the year		(844,422)	-	(626,732)	(1,471,154)	1,251,383
<i>Gains/(losses) on investments</i>						
Realised	11	247,368	-	-	247,368	180,560
Unrealised		(690,832)	-	-	(690,832)	(21,790)
Unrealised (loss on impairment)/gain on fixed asset revaluation		-	-	2,431,755	2,431,755	(955,000)
Actuarial gain on defined benefit scheme	19	137,000	-	-	137,000	26,000
Net movement in funds		(1,150,886)	-	1,805,023	654,137	481,153
Total funds brought forward		19,816,808	163,075	29,615,822	49,595,705	49,114,552
Total funds carried forward	17	18,665,922	163,075	31,420,845	50,249,842	49,595,705

All of the activities are classed as continuing.

The accompanying notes form part of these financial statements.

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Balance Sheet

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	9	135	1,750
Tangible assets	10	26,465,442	24,492,229
Investments	11	13,975,116	9,290,125
		<hr/>	<hr/>
		40,440,693	33,784,104
Current assets			
Stocks	12	5,085	3,932
Debtors	13	2,826,777	3,251,846
Short term cash investments	14	1,000,000	11,736,419
Cash at bank and in hand	14	8,692,122	4,796,858
		<hr/>	<hr/>
		12,523,984	19,789,055
Creditors: amounts falling due within one year	15	(2,714,835)	(3,670,454)
		<hr/>	<hr/>
Net current assets		9,809,149	16,118,601
		<hr/>	<hr/>
Total assets less current liabilities excluding pension liability		50,249,842	49,902,705
Defined benefit pension scheme liability	19	-	(307,000)
		<hr/>	<hr/>
Net assets		50,249,842	49,595,705
		<hr/>	<hr/>
Income funds			
Restricted		163,075	163,075
Designated		31,420,845	29,615,822
Unrestricted		18,665,922	20,123,808
Pension reserve (unrestricted)		-	(307,000)
		<hr/>	<hr/>
Total funds	17	50,249,842	49,595,705
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Trustees on 16 February 2024 and signed on their behalf on

A T Hassett
A T Hassett (Feb 16, 2024 10:35 GMT)

Brother Alfred Hassett Trustee

Lisa Gregory
Lisa Gregory (Feb 16, 2024 09:27 GMT)

Lisa Gregory Chief Executive

The accompanying notes form part of these financial statements.

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Statement of Cash Flows

		2023	2022
		£	£
Cash Flow from Operating Activities			
Net movement in funds		654,137	481,153
Adjustment for non-cash items			
Amortisation		1,615	1,616
Depreciation		610,280	486,504
Loss on investments - unrealised		681,297	21,790
Income from investments		(118,920)	(85,251)
Increase in stocks		(1,153)	(3,932)
Decrease/(increase) in debtors		425,069	(926,988)
(Decrease)/increase in creditors		(955,619)	342,083
Movement on defined benefit pension liability		(307,000)	(141,000)
Loss on disposal of intangible fixed assets		-	-
(Revaluation)/impairment of tangible fixed assets		(2,431,755)	955,000
		<hr/>	<hr/>
Net Cash Flow from Operating Activities		(1,442,049)	1,130,975
		<hr/>	<hr/>
Cash Flow from Investing Activities			
Capital expenditure on fixed assets		(151,738)	(646,942)
Proceeds from sale of fixed assets		-	-
Transfer of cash equivalents from/(to) investment deposits		5,736,419	(6,009,882)
(Gains) on investments - realised		(247,368)	(180,560)
		<hr/>	<hr/>
Net Cash Flow from Investing Activities		5,337,313	(6,837,384)
		<hr/>	<hr/>
(Decrease)/Increase in cash and cash equivalents in year		3,895,264	(5,706,409)
		<hr/>	<hr/>
Cash and cash equivalents at beginning of the year	14	4,796,858	10,503,267
		<hr/>	<hr/>
Cash and cash equivalents at end of the year	14	8,692,122	4,796,858
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. General Information

Brothers of Charity Services in the United Kingdom ('the charity') is a charity registered in England and Wales. The registered office of the Charity is Lisieux Hall, Dawson Lane, Chorley, Lancashire, PR6 7DX.

The principal purpose of the charity is to deliver high quality services to people with learning difficulties. Striving for the highest possible human dignity in their service, being willing to function within a social framework to be recognised by the authorities and finding final motivation in the gospel.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

2. Principal accounting policies

Overview

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities", effective 1 January 2019 and applicable Accounting Standards in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Charities Statement of Recommended Practice (FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the "Accounting and Reporting by Charities: Statement of Recommended Practice Charities SORP 2005" which has since been withdrawn.

Brothers of Charity Services in the United Kingdom meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

A summary of the principal accounting policies are set out below.

Going concern

After reviewing the charity's forecasts and projections, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The period which the trustees have considered in this respect is not less than 12 months from the date of signature of these financial statements. The review undertaken by the trustees includes consideration of the potential implications of both Brexit and the COVID 19 pandemic. The trustees have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis in preparing its financial statements.

INCOME

Donations and gifts

All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made, property transferred and the amount involved can be quantified. They are included in the Statement of Financial Activities.

Notes to the financial statements (continued)

2. Principal accounting policies (continued)

Gifts-in-kind are accounted for at the Trustees' estimate of value to the Charity or sale value as follows:

- assets received for distribution by the Charity are recognised only when distributed;
- assets received for resale are recognised, where practicable, when receivable or otherwise when sold; and
- gifts of fixed assets for charity use or funds for acquiring fixed assets for charity use are accounted for (as restricted funds) immediately on receipt.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. An equivalent amount is charged as expenditure. No income is recognised when there is no financial cost borne by a third party. Voluntary help is not included as income.

Donations under Gift Aid together with the associated income tax recoveries are credited as income when the donations are received.

Grants receivable and statutory authority contracts

Revenue grants and statutory authority contracts are credited as income when they are receivable provided conditions for receipt (including service delivery) have been complied with, unless they relate to a specified future period, in which case they are deferred.

Investment income

Investment income, including associated income tax recoveries, is recognised when receivable.

Trading income

Trading income represents ancillary amounts receivable by the Charity from activities generated from the day service provision. It is recognised on delivery of goods or services.

EXPENDITURE

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

Governance costs are the costs associated with the governance arrangements of the Charity which relate to the general running of the Charity as opposed to those costs associated with charitable activities. Included within this category are costs associated with the strategic as opposed to day to day management of the Charity's activities.

Support costs, which include management, human resources, finance, marketing, IT, administration and building costs are allocated to direct charitable expenditure.

Irrecoverable VAT is charged as a cost to the Statement of Financial Activities.

Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other income received or generated for expenditure on the general objectives of the Charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees

Intangible fixed assets and amortisation

Intangible fixed assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Amortisation is provided on the following basis:

Software	14-33% straight line
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Notes to the financial statements (continued)

2. Principal accounting policies (continued)

Tangible fixed assets and depreciation

The Brothers of Charity Services in the United Kingdom has adopted a £1,000 capitalisation threshold for individual assets, although assets of lesser value should be capitalised if they form part of a group, with a group value in excess of £1,000. The £1,000 figure includes VAT where this is not recoverable.

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Freehold land and buildings have been revalued during the year. For further detail, see note 10.

Depreciation is calculated to write down the cost or valuation less estimated residual value of tangible fixed assets other than freehold land over their estimated useful economic lives. The rates generally applicable are:

Freehold buildings	2% straight line
Motor vehicles	4 - 5 years straight line
Plant and equipment	3 - 7 years straight line

Freehold land is not depreciated.

Investments

Assets held for investment purposes are valued at market value at the balance sheet date. The Charity holds assets in an investment portfolio.

Net gains and losses arising on revaluations and disposals during the year are included in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Statement of Financial Activities over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Defined Contribution Pension Scheme

The pension costs charged against net income are the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Pension Scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Charity. No pension scheme asset has been recognised in this financial year due to concerns given the current economic environment, in particular volatile interest rates and inflation rates, any asset recognised may be transitory and will not be reflected in a reduction in contributions.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the Statement of Financial Activities.

Debtors

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

Notes to the financial statements (continued)

2. Principal accounting policies (continued)

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors and other creditors are financial instruments and are measured at amortised cost as detailed in note 15. Taxation and social security and accruals are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

3. Significant judgements and estimates

The trustees consider the key judgements and estimates in the accounts to be as follows:

- The valuation of pension scheme liabilities. The present value of the pension scheme's liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions.
- The valuation of freehold land and buildings. These have been calculated utilising the expertise of external valuers.

Defined benefit pension scheme liabilities

The present value of the defined benefit pension scheme depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability.

Freehold land and buildings

Management review the open market, existing use valuation of the freehold land and buildings. The carrying amount and further information on the valuation of the freehold land and buildings is detailed in note 10. The charity's freehold land and buildings are included in the financial statements at valuation, the last independent valuation having been prepared in 2023.

Doubtful debt provisions

Management review the recoverable amount of debtors at each financial year and provide against any debtors which management believe are not recoverable in part or in full.

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

4. Direct charitable expenditure

	Unrestricted funds £	Restricted funds £	Designated funds £	2023 £	2022 £
Provision of care services	28,701,637	-	151,625	28,853,262	24,909,852
Office costs including salaries	1,097,627	-	-	1,097,627	803,761
Legal and professional fees	198,128	-	-	198,128	215,633
Donations	1,770	-	-	1,770	75,779
Financing costs	23,675	-	-	23,675	12,015
Congregation expenses	20,469	-	-	20,469	43,067
Governance costs (note 8)	42,240	-	-	42,240	26,200
	<u>30,085,546</u>	<u>-</u>	<u>151,625</u>	<u>30,237,171</u>	<u>26,086,307</u>

5. Analysis of resources expended

	Staff costs £	Depreciation etc £	Other £	2023 £	2022 £
Direct charitable expenditure	26,392,079	611,895	3,233,197	30,237,171	26,060,107
Trading expenditure	-	-	78,493	78,493	6,961
Pension scheme operating credit	-	-	(175,000)	(175,000)	(124,000)
Other pension scheme costs	-	-	5,000	5,000	9,000
	<u>26,392,079</u>	<u>611,895</u>	<u>3,141,690</u>	<u>30,145,664</u>	<u>25,978,268</u>

6. Employees

	2023 £	2022 £
Staff costs		
Wages and salaries	22,252,875	19,187,288
Social Security costs	1,871,527	1,352,971
Pension costs	703,178	579,568
Agency costs	1,564,499	1,075,584
	<u>26,392,079</u>	<u>22,195,411</u>

Emoluments of employees earning £60,000 per annum or more fell within the following ranges:

	2023 Number	2022 Number
£60,000 - £70,000	4	1
£70,000 - £80,000	1	1
£100,000 - £110,000	-	1
£330,000 - £340,000	1	-
	<u>6</u>	<u>3</u>

During the year pension contributions to money purchase schemes of £40,900 (2022: £57,999) were paid in respect of these highest paid employees.

Notes to the financial statements (continued)

6. Employees (continued)

The average number of employees, analysed by function, was as follows:

	2023 Number	2022 Number
Provision of care services	1,012	963
Management and administration of the Charity	59	53
	<u>1,071</u>	<u>1,016</u>

The total employee benefits of the key management personnel of the Charity, which comprises 17 posts (2022: 19 posts), including employer's national insurance contributions were £1,369,860 (2022: £1,171,533).

7. Trustees

No Trustees received any remuneration during the year. Expenses of £61,048 (2022: £72,726) were associated with the maintenance of the Religious Community at Lisieux Hall, Thingwall Hall and St Aidan's. One of the objects of the Charity is the promotion of religion, and within the Charity the members of the Religious Community, which includes all of the Trustees, have this as their primary role. They carry out this role through their prayer life and their sharing in other religious exercises as a Religious Community within the Congregation of the Brothers of Charity.

8. Governance costs

	2023 £	2022 £
External audit fees payable to the Charity's auditor	54,500	23,500
Accountancy fees payable to the Charity's auditor	6,600	2,700
	<u>61,100</u>	<u>26,200</u>

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

9. Intangible fixed assets

	Software £
Cost or valuation	
At 1 April 2022	46,580
Disposal	-
	<u>46,580</u>
At 31 March 2023	<u>46,580</u>
Amortisation	
At 1 April 2022	44,830
Charge for the year	1,615
Disposal	-
	<u>46,445</u>
At 31 March 2023	<u>46,445</u>
Net book value	
At 31 March 2023	135
	<u>1,750</u>
At 31 March 2022	<u>1,750</u>

10. Tangible fixed assets

	Freehold land & buildings £	Motor vehicles £	Plant & equipment £	Total £
Cost or valuation				
At 1 April 2022	25,549,905	545,270	915,919	27,011,094
Additions	-	88,735	63,003	151,738
Revaluation	1,643,811	-	-	1,643,811
	<u>27,193,716</u>	<u>634,005</u>	<u>978,922</u>	<u>28,806,643</u>
At 31 March 2023	<u>27,193,716</u>	<u>634,005</u>	<u>978,922</u>	<u>28,806,643</u>
Depreciation				
At 1 April 2022	1,339,937	387,319	791,609	2,518,865
Charge for the year	498,107	56,760	55,413	610,280
Impairment	-	-	-	-
Revaluation	(787,944)	-	-	(787,944)
	<u>1,050,100</u>	<u>444,079</u>	<u>847,022</u>	<u>2,341,201</u>
At 31 March 2023	<u>1,050,100</u>	<u>444,079</u>	<u>847,022</u>	<u>2,341,201</u>
Net book value				
At 31 March 2023	26,143,616	189,926	131,900	26,465,442
	<u>24,209,968</u>	<u>157,951</u>	<u>124,310</u>	<u>24,492,229</u>
At 31 March 2022	<u>24,209,968</u>	<u>157,951</u>	<u>124,310</u>	<u>24,492,229</u>

Notes to the financial statements (continued)

10. Tangible fixed assets (continued)

All tangible fixed assets were used for charitable purposes.

Land and buildings in England included above were revalued at 31 March 2023 by Peter Gilkes & Company, Chartered Surveyors (Chorley).

Existing use values have been used in respect of the operational properties at each Service campus. Open market value has been used in respect of the residential, commercial and agricultural properties on the basis that the existing use value, in these instances, equates to open market value. The historic cost of land and buildings cannot be stated in respect of the individual service sites. The three main residential locations were acquired by the wider congregation over fifty years ago with respect to Lisieux Hall, Lancashire, and over one hundred years ago in the case of Thingwall Hall, Liverpool.

Land and buildings in Scotland included above were revalued at 31 March 2023 by Allied Surveyors, Chartered Surveyors (Selkirk) on an open market value basis. Certain property in Scotland is in the process of being sold and has, where applicable, been impaired to reflect the anticipated net proceeds which will be received upon sale.

11. Fixed asset investments

	2023 £	2022 £
Investment portfolio	8,975,116	9,290,125
Investment deposits	5,000,000	-
Market value at 31 March	<u>13,975,116</u>	<u>9,290,125</u>
	2023 £	2022 £
Market value at 1 April	9,290,125	9,046,104
Net income	118,920	85,251
Realised gains	247,368	180,560
Unrealised (losses)/gains	(681,290)	(21,790)
Market value at 31 March	<u>8,975,116</u>	<u>9,290,125</u>

Listed investments are stated at their mid-market value as at the balance sheet date.

The investments listed on a recognised stock exchange are as follows:

	2023 £	2022 £
Property funds	-	-
Commodities	950,257	279,651
Fixed interest	3,942,795	4,355,043
Overseas equities	1,483,861	1,684,483
UK equities	1,513,896	1,902,743
Cash and cash equivalents	1,084,307	1,068,205
	<u>8,975,116</u>	<u>9,290,125</u>

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

The investments are managed within a portfolio held with Rathbone Investment Management Limited in the United Kingdom. The historic cost of individual investments is £8,258,248 (2022: £7,873,126).

The following investments formed more than 5% of the value of the investment portfolio as at 31 March.

	2023 £	2022 £
UK index linked government bonds:		
- Treasury 1/8% I/L stock 22/03/2029	1,243,355	980,687

12. Stock

	2023 £	2022 £
Raw materials and consumables	5,085	3,932
	<u>5,085</u>	<u>3,932</u>

13. Debtors

	2023 £	2022 £
Trade debtors	1,833,896	2,341,661
Other debtors	20,905	74,653
Prepayments and accrued income	971,975	835,532
	<u>2,826,776</u>	<u>3,251,846</u>

14. Cash and cash equivalents and analysis of net debt

	At 31 March 2022 £	Cash flows £	Reclassification to investments £	Reclassification to cash £	At 31 March 2023 £
Short term cash investments	11,736,419	-	(5,000,000)	(5,736,419)	1,000,000
Cash at bank and in hand	4,796,858	(1,841,155)	-	5,736,419	8,692,122
	<u>16,533,277</u>	<u>(1,841,155)</u>	<u>(5,000,000)</u>	<u>-</u>	<u>9,692,122</u>

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	186,691	432,343
Social Security and other taxes	148,739	234,972
Other creditors	253,287	302,819
Accruals	1,944,414	1,991,600
Deferred income	128,730	699,870
Amounts owed to related parties	52,974	8,850
	<u>2,714,835</u>	<u>3,670,454</u>

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

	2023	2022
	£	£
Deferred income		
At April 2022	699,870	1,085,577
Resources deferred in the year	128,730	699,870
Amounts released from previous years	(699,870)	(1,085,577)
At 31 March 2023	128,730	699,870

Deferred income relates to funds received in respect of the provision of care services which relate wholly to the following financial year.

16. Financial instruments

	2023	2022
	£	£
Financial assets measured at amortised cost	1,833,896	2,341,661
Financial liabilities measured at amortised cost	186,691	440,760

17. Funds

Funds are analysed as follows:

	Balance as at 31 March 2022 £	Income £	Expenditure £	Transfer between funds £	Other gains and losses £	Balance as at 31 March 2023 £
Restricted funds:						
Papua New Guinea fund	12,992	-	-	-	-	12,992
Chillag Trust re vehicles for the Finches fund	18,466	-	-	-	-	18,466
Donations fund	131,617	-	-	-	-	131,617
	<u>163,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,075</u>
Designated funds:						
Properties	24,209,968	-	-	(498,107)	2,431,755	26,143,616
Landlord rents fund	1,195,892	-	(50,141)	-	-	1,145,751
Managers repairs fund	92,834	-	-	-	-	92,834
Publications fund	7,074	-	-	-	-	7,074
Cyclical maintenance – Thingwall Hall	934,288	-	(101,484)	-	-	832,804
Progress reserve	681,694	-	-	-	-	681,694
LLDF grant	1,107	-	-	-	-	1,107
SRBC potting shed	264	-	-	-	-	264
Donations fund	83,063	23,000	-	-	-	106,063
Sri Lanka development fund	170,000	-	-	-	-	170,000
Gattons development fund	2,239,638	-	-	-	-	2,239,638
	<u>29,615,822</u>	<u>23,000</u>	<u>(151,625)</u>	<u>(498,107)</u>	<u>2,431,755</u>	<u>31,420,845</u>
Unrestricted funds	<u>19,816,808</u>	<u>28,651,510</u>	<u>(29,994,039)</u>	<u>498,107</u>	<u>(306,464)</u>	<u>18,665,922</u>
	<u>49,595,705</u>	<u>28,674,510</u>	<u>(30,145,664)</u>	<u>-</u>	<u>2,125,291</u>	<u>50,249,842</u>

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

Restricted funds

Papua New Guinea fund

The Papua New Guinea fund was established in 1996, by way of fundraising for onward transmission to overseas projects in Papua New Guinea.

Chillag Trust re Vehicle for the Finches Fund

This fund represents a donation which is required to be spent on vehicles used by the Finches.

Donations fund

Donations funds, in the case of donations received by the Charity, the use of which has been restricted by the donors, the Charity undertakes to only apply these funds in accordance with the instructions specified by the respective donors. The restricted donation fund represents funds held but not yet expended which are shown separately from designated funds.

Designated funds

Properties

The designated freehold land and buildings and assets in the course of construction fund represents the book value of the land and buildings assets belonging to the Charity at the balance sheet date. The Trustees have elected to disclose this fund separately in a designated fund to highlight the Charity's position in relation to the residual unrestricted fund.

Landlord rents fund

Where Charity undertakes the landlord duty of property maintenance in respect of community supported tenancies owned by the Charity, the landlord rent fund represents income from rents generated which will be utilised to meet costs arising in future years.

Managers repair fund

Where the Charity acts under a management agreement with Housing Associations to manage service charge budgets in respect of supported tenancies. The managers repair fund represents income from service charges generated which will be used to meet costs arising in future years.

Publications fund

The designated publications fund represents resources paid by the regional services and held by the Charity to meet national publication costs.

Cyclical maintenance fund- Thingwall Hall

The cyclical maintenance fund has been designated by the Brothers of Charity Services Merseyside in order to provide formal funding for renovation and maintenance works to both Thingwall Hall Administrative Centre and various locations on the Thingwall Hall site. The cyclical maintenance is intended to ensure the Brothers of Charity Merseyside Services continue to provide a safe and clean environment in which service users, staff and visitors can live, work and visit. A condition report has been commissioned and cyclical maintenance plan is now being developed in order to identify and prioritise the renovation and cyclical maintenance work. Transfers relate to work undertaken during the year which has been capitalised.

Progress reserves

The Progress reserve represents monthly rental income generated by bi-lateral leases on a number of residential properties owned by the Congregation of the Brothers of Charity Services. The parties to the leases generating the lease charges forming the Progress Development Reserve are Progress Housing Association (the lessee) and the Congregation of the Brothers of Charity (the lessor).

LLDF grant fund

The LLDF is a grant to fund the time to develop the vision, business plan and grant applications required to ensure the sustainability of the Walled garden project.

SRBC potting shed fund

The SRBC grant was designated to provide a heating system in the potting shed at the Walled garden project.

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

17. Funds (continued)

Donations fund

Donations fund, in the case of donations received by the charity, the use of which has been designated by the trustees. The Charity undertakes to only apply these funds in accordance with the instructions from the Trustees.

Sri Lanka development fund

The Sri Lanka fund is established to identify annual funding for onward transmission to the Brothers of Charity Services in Sri Lanka.

Gattonside development fund

The Gattonside development fund is established to fund appropriate urgent and essential works at Gattonside in order to support activities amounting to 'development' in relation to the current grant of planning permission.

Transfers

Transfers from unrestricted funds to properties designated funds represent the net of fixed asset additions and depreciation charges for the year.

18. Analysis of assets between funds

2023	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Tangible and intangible fixed assets	321,961	-	26,143,616	26,465,577
Fixed asset investments	13,975,116	-	-	13,975,116
Current assets	7,083,680	163,075	5,277,229	12,523,984
Current liabilities	(2,714,835)	-	-	(2,714,835)
Pension liability	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	18,665,922	163,075	31,420,845	50,249,822
	<hr/>	<hr/>	<hr/>	<hr/>
2022	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Tangible and intangible fixed assets	284,011	-	24,209,968	24,493,979
Fixed asset investments	9,290,125	-	-	9,290,125
Current assets	14,220,126	163,075	5,405,854	19,789,055
Current liabilities	(3,670,454)	-	-	(3,670,454)
Pension liability	(307,000)	-	-	(307,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	19,816,808	163,075	29,615,822	49,595,705
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

19. Pensions

Defined benefit schemes

The Charity used to operate two defined benefit pension schemes. The schemes were Brothers of Charity (Thingwall Hall) 1996 Retirement Benefits Scheme and Brothers of Charity (Lisieux Hall) 1996 Retirement Benefit Scheme. The two schemes were merged into one scheme on 1 October 2005, now called the Brothers of Charity Retirement Benefits Scheme.

The assets of the scheme are held separately from those of the Charity in an independently administered fund. Pension costs are assessed in accordance with the advice of a qualified actuary. The most recent triennial valuation was as at 1 October 2022.

At 1 October 2022, on a current funding level basis (which reflects current accrued service and pensionable earnings and statutory revaluation only) the Brothers of Charity Retirement Benefits Scheme had a deficit of assets of £141,000. The market value of scheme assets as at 1 October 2022 for this scheme was £3,782,000. The actuarial value of these assets was sufficient to cover 96% of the benefits that had accrued to members, after allowing for expected future increase in earnings.

The actuary recommended a contribution rate of 44.5% from the employer and 12% from the employee, accruing a benefit of 1/100 or 1/60 final pensionable salary for each year of service pay.

For the FRS 102 (28) Retirement Benefits valuation, the major assumptions, for the scheme, used by the actuary were:

	2023 %	2022 %
Rate of increase in salaries	1.1	1.1
Rate of increase in pensions in payment (LPI)	3.3	3.7
Discount rate	4.8	2.8
Inflation	3.3	3.7

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2023 are based on the S3PXA, using 115% of the base table with the CMI_2019 mortality projections with a long term rate of improvement of 1.25%. The mortality assumptions used at 31 March 2022 followed the same basis.

Based on these assumptions, average future life expectancies at age 65 are as follows:

	Males -Years	Females -Years
31 March 2023		
Current pensioners	21.1	23.5
Future pensioners	22.5	25.0
31 March 2022		
Current pensioners	21.0	23.4
Future pensioners	22.3	24.9

The major categories of plan asset, as a percentage of the total plan assets, are as follows:

	2023 %	2022 %
Equities & property	13	13
Bonds	29	29
Insured pensions	42	45
Cash	16	13

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

19. Pensions (continued)

The amounts recognised in the balance sheet are as follows:

	2023 £	2022 £
Fair value of plan assets	4,503,000	4,986,000
Present value of retirement benefit obligations	(4,195,000)	(5,293,000)
Net surplus/(deficit)	308,000	(307,000)
Less: notional surplus not recognised	(308,000)	
Net pensions recognised in the statement of financial position	-	(307,000)

Changes in the present value of the defined benefit obligation are as follows:

	2023 £	2022 £
Opening defined benefit obligation at 1 April	5,293,000	5,268,000
Current service cost	9,000	5,000
Employee contributions	3,000	2,000
Interest cost	146,000	115,000
Actuarial (gains)/losses	(1,167,000)	(21,000)
Benefits paid	(89,000)	(76,000)
Liabilities extinguished on settlements	-	-
Closing defined benefit obligation at 31 March	4,195,000	5,293,000

Changes in the fair value of the plan assets are as follows:

	2023 £	2022 £
Fair value of plan assets at 1 April	4,986,000	4,820,000
Expected return on assets	141,000	107,000
Actuarial (losses)/gains	(720,000)	(47,000)
Contributions by the employer	184,000	181,000
Contributions by the employee	3,000	2,000
Benefits paid	(89,000)	(76,000)
Expenses paid	(2,000)	(1,000)
Assets distributed on settlements	-	-
Closing fair value of plan assets at 31 March	4,503,000	4,986,000

The amounts charged or (credited) to the Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	73,000	58,000
Contributions from the employer	(184,000)	(181,000)
(Gains)/losses on settlements	-	-
Total	(111,000)	(123,000)

Notes to the financial statements (continued)

19. Pensions (continued)

The amounts charged or (credited) to other pension finance costs within the Statement of Financial Activities are as follows:

	2023 £	2022 £
Interest cost	146,000	115,000
Expected return on pension scheme assets	(141,000)	(107,000)
	<u>5,000</u>	<u>8,000</u>

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

	2023 £	2022 £
Actual return less interest income recognised in SOFA	(720,000)	(47,000)
Experience gains / (losses) on benefit obligation	(167,000)	(115,000)
Effect of assumption changes on benefit obligation	1,334,000	136,000
Notional surplus not recognised	(308,000)	-
	<u>139,000</u>	<u>(26,000)</u>

Defined contribution schemes

The Charity also operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £519,178 (2022: £397,568). All contributions were paid in the year.

Notes to the financial statements (continued)

20. Leasing commitments

Operating lease costs expensed in the year amount to £28,663 (2022: £44,484). The leases to which these amounts relate expire as follows:

	Other 2023 £	Land & Buildings 2023 £	Other 2022 £	Land & Buildings 2022 £
In one year	11,970	-	18,879	22,100
Between one and five years	3,230	-	10,868	66,906
In five years or more	-	-	-	-
	<u>15,200</u>	<u>-</u>	<u>29,747</u>	<u>89,006</u>

21. Capital commitments

At 31 March 2023, capital commitments for which the Charity had contracted were £nil (2022: £nil).

22. Contingent liabilities

There are no contingent liabilities at 31 March 2023 or 31 March 2022.

23. Control relationship

The Charity is controlled by the Provincial Superior and his Provincial Council, all of whom are Trustees.

24. Indemnity insurance

The Charity has purchased insurance to indemnify the Charity from neglect or default of its Trustees and officers.

25. Related party transactions

Brothers of Charity Services (Scotland) is a charitable company limited by guarantee and Brothers of Charity Trust (Scotland) is a registered charity in Scotland, which has a number of common Trustees.

Rent of £128,543 (2022: £126,383) was payable to the Charity by Brothers of Charity Services (Scotland). At the year-end £56,510 (2022: £8,850) was due to Brothers of Charity Services (Scotland).

Brothers of Charity Services in the United Kingdom operate (along with Brothers of Charity Services (Scotland)) as part of a wider international congregation (as outlined in the Report of the Trustees). There are no material transactions with other members of the wider congregation.

Champion Accountants is a company in which Stephen Robinson (Trustee appointed from 23 August 2021) is an employee and a director of certain group companies. During the year Brothers of Charity Services in the United Kingdom have been charged £24,600 (2022: £29,010) for accountancy and associated services. At the year-end £nil (2022: £nil) was outstanding as a creditor.

26. Funds held as custodian trustees on behalf of others

Where funds are held on behalf of residents or other individuals supported by the charity, those funds are kept in separate client accounts. These are not included in the assets of the charity and as at 31 March 2023 amounted to £581,670 (2022: £666,512). This is monitored regularly to ensure that the funds are correctly identified and apportioned. Funds are held on behalf of service users where the individuals concerned are unable to manage their own financial affairs without additional support and that support is provided by the charity as part of the overall package of support provided.

Brothers of Charity Services in the United Kingdom

Financial Statements for the year ended 31 March 2023

Notes to the financial statements (continued)

27. Prior year Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total Funds 2022 £	Total Funds 2020 £
<i>Income</i>					
Donations, legacies & gifts	1,032	-	-	1,032	54,734
Income from charitable activities:					
Statutory Authority contracts	25,458,688	-	-	25,458,688	23,294,486
Income from other trading activities:					
Trading income	66,303	-	-	66,303	126,379
Investment income	154,587	-	-	154,587	181,105
Other income	1,549,041	-	-	1,549,041	889,987
Total income	27,229,651	-	-	27,229,651	24,546,691
<i>Expenditure</i>					
Expenditure on charitable activities:					
Provision of core services; statutory authority contracts	25,990,855	-	95,452	26,086,307	22,810,892
Costs of raising funds					
Trading expenditure	6,961	-	-	6,961	78,120
Pension scheme operating credit	(123,000)	-	-	(123,000)	(181,000)
Other pension finance costs	8,000	-	-	8,000	7,000
Total expenditure	25,882,816	-	95,452	25,978,268	22,715,012
Net income/(expenditure) before transfers	1,346,835	-	(95,452)	1,251,383	1,831,679
Transfers between funds	(65,332)	-	65,332	-	-
Net income/(expenditure) for the year	1,281,503	-	(30,120)	1,251,383	1,831,679
<i>Gains/(losses) on investments</i>					
Realised	180,560	-	-	180,560	54,283
Unrealised	(21,790)	-	-	(21,790)	(391,726)
Unrealised gain on fixed asset revaluation	-	-	(955,000)	(955,000)	-
Actuarial gain/(loss) on defined benefit scheme	26,000	-	-	26,000	(240,000)
Net movement in funds	1,466,273	-	(985,120)	481,153	1,254,236
Total funds brought forward	18,350,535	163,075	30,600,942	49,114,552	42,976,060
Total funds carried forward	19,816,808	163,075	29,615,822	49,595,705	44,230,296