

**CARE ENGLAND
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CARE ENGLAND
(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

For the year ended 31 December 2021

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(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' ANNUAL REPORT

For the year ended 31 December 2021

REFERENCE AND ADMINISTRATIVE DETAILS

CHAIR	Avnish Goyal, BA ACA
VICE-CHAIR	Mike Parsons, BA MBA DBA
TREASURER	Vishal Shah, BSc (Hons), CFA
COMPANY SECRETARY and CHIEF EXECUTIVE	Professor Martin Green OBE, FIAM FRSA FInstLM FIPSM
DIRECTORS	Information on page 5
REGISTERED AND PRINCIPAL ADMINISTRATIVE OFFICE	2 nd Floor Monmouth House 38-40 Artillery Lane London E1 7LS
AUDITORS	MHA MacIntyre Hudson 6 th Floor 2 London Wall Place London EC2Y 5AU
REGISTRATION NUMBERS	Company number 02082270 Charity number 296103

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TRUSTEES' ANNUAL REPORT

For the year ended 31 December 2021

The Trustees of the charity, who are members of the Company and directors for the purpose of company law, present their statutory report together with the accounts of Care England for the year ended 31 December 2021. The charity has opted to prepare its accounts using the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and follow the Charities SORP (FRS 102).

Structure and Governance

Care England is a registered charity (number 296103), incorporated under the Companies Act, being a company limited by guarantee not having share capital.

The charity was incorporated on 9 December 1986 and registered as a charity on 16 February 1987. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute to an amount not exceeding £1.

Care England's mission is to ensure that social and health care in the independent sector can be promoted and protected.

Principal Activities

The Association represents the interests of a substantial percentage of the operators of a wide range of adult social care services in England providing social care and health services in all settings. It aims to be the leading national voice in positioning the adult social care sector at the centre of the national policy and improvement agenda, and to ensure that service users receive quality services which are individually focussed.

Annual Review

Objects of the Charity

To promote and protect the standards of health and social care within the independent sector.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

It is Care England's intention to ensure that we pursue our primary purpose of supporting quality in the care sector. Policy development and implementation, appropriate funding and intelligent regulation are the key elements of the work streams that we are engaged in to deliver this overall objective. We are also engaged in a process of ensuring a balanced budget and developing activities which should ensure the long-term financial survival and stability of the organisation.

Care England has a significant work programme which is outlined within its Business Plan and this is designed to ensure that our overall objectives are achieved in an effective and sustainable way and that our administrative processes support this.

As a membership organisation we recognise that the retention and expansion of membership is one of our primary functions and we have developed a range of membership benefits which are designed to be attractive to the sector and stimulate recruitment. The objectives of the Association are to maintain its position as the largest representative body, to continue to expand our membership and to support a thriving independent sector.

TRUSTEES' ANNUAL REPORT

For the year ended 31 December 2021

Care England works in a collaborative and partnership-based way and has a number of key stakeholders in both central and local government, the Department of Health and Social Care (DHSC) and with the regulatory body, Care Quality Commission (CQC).

Financial review

The financial year ending 31 December 2021 ended with a deficit of £58,400 (2020: surplus £7,236).

As with many other care providers, Care England members were on the front line of a global pandemic which took the lives of over 40,000 of our valued residents. This puts not only enormous strain on the sector but it also significantly reduces the income available to care providers. Care England was conscious that we had a role in supporting our members, which led us to increase our services and support significantly. The deficit that we ran in 2021 was a response to the pandemic but well within our reserves, and not in any way affected the viability of the organisation.

The current year

During this unprecedented year, we saw a reduction in direct membership which was partly a response to the enormous financial pressures that the care sector was facing because of Covid. In response to the challenges that our membership was facing and the need to both retain and increase membership in the future, Care England appointed a membership officer to strengthen our capacity in this vital area. On the contrary, businesses operating in the sector continue to value their engagement with Care England, and this has led to an increase in supporter membership.

The pandemic has shown that there is a real need for good quality information to help members navigate the plentiful information available. Where they lack, Care England provided clear guidance. To achieve this, Care England continued to invest in its team and infrastructure, and acquired external support where needed. In the year, Care England launched its Market Intelligence Information (MINT) database for its members. The database will help to improve datasets within social care and will give a significant advantage to Care England members to both benchmark their current quality and also to identify trends within the sector. This new initiative will be a substantial and tangible benefit to care providers and should also be an opportunity for Care England to differentiate itself from other organisations.

Apart from MINT, Care England has been a strong player in the development of digital social care. We are part of a Digital Social Care team supporting nine Integrated Care Systems (ICS) in the implementation of Digital Social Care Records. This work will continue as NHSX pushes digital transformation in social care via the ICSs and twelve of them will be chosen for a wide range of digital transformation programmes in which we will advise. This allows our voice on the development of ICSs to be heard and ensures the inclusion of the social care providers' input. Care England has also provided support to Digital Social Care's helpdesk, and the Better Security Better Care project which seeks to identify the key market drivers for a digital support service.

Workforce shortages in social care remained one of the biggest challenges our members faced in the year, with some members having to reduce the number of residents because of staff shortages. Care England lobbied for change in the migration regulations, and achieved a victory which ensured that care workers can now be recruited from overseas.

Throughout the pandemic, social care fought to gain recognition and the initial response of both government and the media was to focus on the NHS. Care England has worked hard to improve the understanding of social care, ensuring that the issues that affect social care were understood by the government, the regulator and other key stakeholders. As Chief Executive of Care England, Martin Green has also been Chair of the Care Provider Alliance, which has been at the forefront of negotiating with the government on behalf of care providers.

TRUSTEES' ANNUAL REPORT

For the year ended 31 December 2021

Future plans

In the coming year, we will see the government's reform agenda coming into law and this will inevitably lead to some significant challenges for our members, including the ASC charging and fair cost reforms, risk based regulation, increased care costs and supporting and recruiting the workforce to meet current and future need. We will also need to play a role in working closely with the NHS on the hospital admission/discharge interface and the clinical support for our care services for example through the EHCH and virtual ward programmes

Care England will prioritise its work on the following;

Funding

The commencement of the Fair Cost of Care exercises will begin as part of the government's ASC Reform proposals and Care England will work to ensure that providers are supported to engage in the process, to ensure the funding required to implement reform is properly understood. Care England will also work to help members with a framework for engagement with their LA and CCG commissioners providing data and intelligence in our MINT system and following up with individual LAs and CCGs on their fee proposals as necessary. Care England will continue to work at Ministerial and Departmental levels to present the evidence on provider costs and funding.

Workforce

Care England will continue to raise the workforce challenges facing the sector, especially around recruitment and retention using the evidence from members and national reports to call for a new ASC workforce strategy in the long terms and specific funding and workforce support measures in the short term to support the workforce and see more parity with staff working in the NHS.

Digitalisation

The next twelve months will see the continuing importance of the digital agenda. In a speech of 24 February 2022, the Secretary of State for Health and Social Care gave a high profile to social care and the digital agenda. The NHS Transformation Directorate (formerly NHSX) will also focus on promoting acoustic monitoring and falls prevention. Care England will continue to work as part of Digital Social Care to promote cybersecurity in the sector mainly by promoting the Data Security Protection Toolkit and work to establish standards in data collection in the care sector. Care England will also develop the Digital Special Interest Group to involve the membership more actively in topics that are of interest and on which we are seeking input.

Regulation

Care England has continued to engage with the CQC, particularly around its new strategy and regulatory approach. The new regulatory strategy aims to enable more effective regulation to deliver positive outcomes and allow for flexibility in managing risk and uncertainty. Whilst the new regulatory approach looks to foster a more flexible, risk-based approach for how often CQC assesses and rates providers. Both elements of the regulator's new approach have presented questions and challenges for independent care providers and Care England is working to ensure the promotion of a fair and transparent basis for regulating the care sector.

Integration

The Publication of the Integration White Paper and the advent of ICSs from July 2022 are important frameworks for a step change to a more integrated health and social care system. Providers have a key role to play in delivering and shaping what that integration will look like and how it will work in practice. We will continue to represent provider interests to the developing ICSs and ensure that integration is not simply about local government and the NHS but a new way and culture of care delivery that providers can lead.

Care England will continue to seek every exposure opportunity in the national and local media to ensure that our members' concerns have a good airing in the media, and that social care has a higher profile in the media. At this challenging time, it is vital that the sector comes together in a unified way and Care England is an authoritative and credible voice to proactively present to the government and the public a vision for the future of care.

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Reserves Policy

It is the policy of the charity to hold reserves in its unrestricted fund, which have not been committed or designated for any particular purpose. The trustees have set aside these reserves in order to protect the future of the charity from any unforeseen variations in its future income streams as part of good financial management practice.

The minimum reserves required is six months of the average monthly unrestricted expenses over the last 2 years. For 2021, this amounted to £433,030. At 31 December 2021, the amount of these reserves in the unrestricted fund amounted to £1,348,468 (2020: £1,406,868). The management will review this minimum amount required from time to time to ensure the level set is appropriate for the current climate of the charity and sector. The amount of surplus in the restricted funds amounted to £8,666 (2020: £8,666). This amount is held for the running of Care Home Open Day which did not take place in the year due to the pandemic.

Reserves not immediately required for working capital are placed in an interest bearing deposit account. Any surplus of funds may also be used to undertake projects identified as bringing benefits to members.

Risk Management

In common with all organisations, Care England has a robust approach to managing risk and an objective to be risk aware rather than risk averse. Discussion at board meetings and intelligence from our membership and trustees enables us to understand the potential threats and risks, and put in place mitigating actions to reduce them. The trustees' risk management strategy includes regular reviews of the principal risks and uncertainties that the charity faces. The trustees consider that financial stability is the major financial risk and manage the risk through the regular reviews of liquid funds, debtors and creditors, to ensure adequate working capital is available for all operational areas. Plans and actions are always in constant review to ensure we remain focus on the issues that impact members the most (as identified in page 3 and 4), helping in the retention and recruitment of members.

Board of Trustees

As defined in the Articles of Association, the charity is governed by a Board of Trustees supported by the Chief Executive and Executive team. The trustees meet regularly and review all aspects of the charity's work, including day to day operations which are delegated to the Executive team for implementation of the strategies. The Trustees, through the companies they work with who are members of the charity, are also the directors of the company.

Trustees are elected through an election process and not more than seven trustees are elected this way. Co-options of people with particular skills or network that can help the charity pursue its primary goals can be agreed by the elected board. No more than five trustees may be elected this way. Trustees are inducted into the organisation and are given clear written information about their roles and responsibilities. All Trustees receive training in Board responsibilities and legal framework, through Charity Commission Updates and other sources, in discussion of the vision, risk and the strategic plan.

The trustees in office during the year ended 31 December 2021 are detailed below.

AGARWAL, Mala	Athena Care Homes	
ALLEN, James Frank	National Care Group	
CALVELEY, Peter	Barchester Healthcare	
GOYAL, Avnish	Hallmark Care Homes	
HAYES, Paul	CareTech Community Services	(appointed 29 January 2021)
RANSFORD, John	HC-One	
SHAH, Vishal	Banyan Care Group	

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In order to ensure that Care England is as widely representative of our membership as possible, we have established a category of members called experts by experience and their views and experience helps us make informed decisions and mitigate our risk.

Trustee indemnity provisions

The charity has an Office Combined Policy with Towergate Insurance for which a premium of £1026 was paid for the year ended 31 December 2021. Included in the policy is a Trustee Indemnity Policy which covers the Trustees against certain liability claims up to £250,000 in aggregate per annum.

Key Management Personnel

The pay and remuneration of the Key Personnel Management of the charity are reviewed following staff appraisals and include a benchmarking exercise against other similar roles in the sector. The charity considers Key Management Personnel to comprise the trustees, who receive no remuneration, the Chief Executive, the Director of Policy and the Finance Manager.

Fundraising

No fundraising by external consultants is undertaken by the charity. All fundraising by the charity is monitored by the trustees.

Related parties

The trustees are all directors of companies which are members of Care England. None of the trustees receive any benefit from this arrangement.

Trustees' responsibilities for the financial statements

The trustees (who are also directors of Care England for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

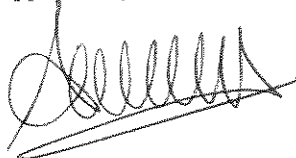
Tax status

The Association is a registered charity, number 296103 and thus is not liable to corporation tax.

Small company exemption

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the board and signed on its behalf by



Avnish Goyal
Chair and Trustee

Date: 30/03/2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE ENGLAND

For the year ended 31 December 2021

Opinion

We have audited the financial statements of the Care England (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Charitable Activities, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its incoming resources and application or resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

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

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

Other information

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE ENGLAND

For the year ended 31 December 2021

our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE ENGLAND

For the year ended 31 December 2021

Auditor's responsibilities for the audit of the financial statements

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

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

- Performing audit work over the risk of management override of controls, including testing of journal entries for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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

Use of our report

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARE ENGLAND

For the year ended 31 December 2021

MHA MacIntyre Hudson

Yogan Patel FCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Statutory Auditors
London
UK

Date: 31 March 2022

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 December 2021

	Notes	2021 £ Restricted funds	2021 £ Unrestricted funds	2021 £ Total Funds	2020 £ Total Funds
<u>Income from:</u>					
Charitable activities	3	30,000	835,003	865,003	935,945
Investments	4	-	198	198	3,481
Other trading activities	5	-	8,492	8,492	5,135
Total income		30,000	843,693	873,693	944,561
<u>Expenditure on:</u>					
Charitable activities	6	(30,000)	(900,811)	(930,811)	(936,304)
Raising funds		-	(1,282)	(1,282)	(1,021)
Total expenditure		(30,000)	(902,093)	(932,093)	(937,325)
Net income		-	(58,400)	(58,400)	7,236
Fund balances as at 1 January		8,666	1,406,868	1,415,534	1,408,298
Fund balances as at 31 December		8,666	1,348,468	1,357,134	1,415,534

There were no recognised gains or losses other than those disclosed in the SOFA for the financial year.

The accompanying accounting policies and notes on pages 15 to 25 form an integral part of these financial statements. All income and expenditure derive from continuing activities.

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STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Tangible Assets	11		3,304		2,855
Current Assets					
Debtors	12	170,200		270,914	
Cash at bank and in hand	19	<u>1,599,419</u>		<u>1,753,873</u>	
		1,769,619		2,024,787	
Creditors: Amount falling due within one year	13	<u>(391,789)</u>		<u>(588,108)</u>	
Net current assets			1,377,830		1,436,679
Total assets less current liabilities			1,381,134		1,439,534
Provision for liabilities	15		<u>(24,000)</u>		<u>(24,000)</u>
Net Assets			<u>1,357,134</u>		<u>1,415,534</u>
Represented by:					
Unrestricted Funds			1,348,468		1,406,868
Restricted Funds			<u>8,666</u>		<u>8,666</u>
Total Funds	16		<u>1,357,134</u>		<u>1,415,534</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Directors and authorised for issue on the 30th March 2022 and signed on its behalf by:



Vishal Shah
Trustee

Company registration number 02082270

The accompanying accounting policies and notes on pages 15 to 25 form an integral part of these financial statements.

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STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 £ Restricted funds	2021 £ Unrestricted funds	2021 £ Total Funds	2020 £ Total Funds
Cash flows from operating activities:					
Net cash provided by / (used in) operating activities	18	38,220	(190,359)	(152,139)	125,034
Cash flows from investing activities:					
Investment income		-	198	198	3,481
Purchase of tangible fixed assets		-	(2,513)	(2,513)	(2,439)
Net cash provided by investing activities		-	1,042	1,042	1,042
Change in cash and cash equivalents in the reporting period		38,220	(192,674)	(154,454)	126,076
Cash and cash equivalents as 1 January		(29,554)	1,783,427	1,753,873	1,627,797
Cash and cash equivalents as 31 December		8,666	1,590,753	1,599,419	1,753,873

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. ACCOUNTING POLICIES

1.1 Accounting convention

Care England is a charitable company, limited by guarantee, incorporated in England and Wales. Its registered office is detailed on Page 1. The financial statements are prepared in sterling, the functional and presentational currency, rounded to the nearest £1.

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Going Concern

There are no material uncertainties relating to the ability of the charity to continue for the foreseeable future. The trustees have considered the level of funds held and the expected income and expenditure for 12 months from the date of approval of the financial statements. In response to the COVID-19 pandemic, the trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact. The budget reflects a sufficient level of reserves for the charity to continue as a going concern.

The charity is a company limited by guarantee. The members of the charity are the trustees named on page 5. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Public Benefit Entity

The charity constitutes a public benefit entity as defined by FRS102.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Income and expended resources

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Subscriptions received in advance are included within deferred income in creditors.

Grants Receivable

Performance-related grants are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition, it is deferred and included in creditors under deferred income.

Restricted and unrestricted income and expenses are charged directly to its activity if it is directly and wholly identifiable to the activity, otherwise general overheads are allocated across the headings based on the charity's time spent on each activity and at following apportionment,

Cost of raising funds	5%
Cost of activities in furtherance of charity's objectives	95% (see note below)

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Resources expended in furtherance of the charity's objectives are further analysed into the following activities:

Direct support to members	60%
Conference /Events	5%
Lobbying/Campaigning & Media Representation	35%

These activities are closely interlinked therefore only the best estimate of the time the charity puts into these activities is used for allocating the resources expended.

The charity provides a range of support to its members including policy analysis and dissemination of information and access to executives' advice. Members have also access to legal/human resources helplines as provided by the charity's commercial partners.

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

Governance costs are those incurred in connection with the compliance with constitutional and statutory requirements

1.3 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment – 3 years, straight line basis

1.4 Fund Structure

All of the charity's funds, unless otherwise specified, are unrestricted and expendable at the discretion of the trustees in the furtherance of the objects of the charity.

Restricted funds are subject to restrictions imposed by the donors or the purpose of the funds.

1.5 Contribution to pension funds

The company makes pension contributions to the personal defined contribution pension scheme of one employee and the minimum contribution under the auto-enrolment scheme for all other eligible employees who opted in. The pension costs charged against income represent the amount of the contributions payable to the schemes in respect of the accounting period. The assets of the schemes are held separately from those of the charity.

1.6 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1.7 Operating Leases

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

1.8 Financial Instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement bases 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 11. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 12 and taxation and National Insurance 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.

1.9 Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.10 Provisions

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The judgement and key assumptions concerning estimation uncertainty at the reporting date relate only to depreciation of fixed assets and the recoverability of debtors. The trustees consider that there is no significant risk in relation to material adjustments to carrying values within the next financial year

3. INCOME FROM CHARITABLE ACTIVITIES

Unrestricted Funds

Incoming resources from activities in furtherance of charity's objectives includes the following,

	2021	2020
	£	£
Subscriptions	814,320	807,213
Other activities	20,683	23,736
	<u>835,003</u>	<u>830,949</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Incoming resources from activities in furtherance of charity's objectives are further allocated to the different activities of the charity,

	2021	2020
	£	£
Direct Support to Members	501,002	498,570
Events	41,750	41,547
Campaigning/Lobbying/Media representation	292,251	290,832
	835,003	830,949

Restricted Funds

The restricted fund income is funding received for work relating to the following

	2021	2020
	£	£
Income assigned to charitable activities		
Music project	30,000	7,000
CyberSecurity	-	64,776
Digital projects	-	33,220
	30,000	104,996

4. INCOME FROM INVESTMENTS

Incoming resources from investment income of £198 (2020: £3,481) represents deposit interest on bank balances.

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from other trading activities represents income received from brokering of commercial deals and circulation of suppliers' product information to members.

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Unrestricted Funds

	Activities undertaken directly	Support Costs	Total 2021
	£	£	£
Direct Support to Members	609,809	134,062	743,871
Conference/events	139	11,172	11,311
Campaigning/Lobbying/ Media Representation	67,426	78,203	145,629
Total Charitable Activities	677,374	223,437	900,811

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Note 6 continued

	Activities undertaken directly £	Support Costs £	Total 2020 £
Direct Support to Members	530,298	136,627	666,925
Conference/events	19,064	11,386	30,450
Campaigning/Lobbying/ Media Representation	54,234	79,699	133,933
Total Charitable Activities	603,596	227,712	831,308

Restricted Funds

	2021 £	2020 £
Music project	30,000	7,000
CyberSecurity	-	64,776
Digital projects	-	33,220
	30,000	104,996

Analysis of Support Costs:

	2021 £	2020 £
Staff	102,895	105,818
Property-related	71,591	71,936
Governance (note 6)	8,690	10,570
Computer/IT	15,860	15,319
Other operating lease	8,065	3,896
Depreciation	2,064	1,716
Others	14,271	18,457
	223,437	227,712

7. GOVERNANCE COST

	2021 £	2020 £
Audit remuneration	8,690	10,570

8. EMPLOYEES

Staff costs during the year were as follows,

	2021 £	2020 £
Wages and salaries	491,014	457,030
National Insurance contribution	53,891	52,139
Pension costs	12,249	16,273
	557,154	525,442

Included within Wages and salaries are temporary staff costs of £6,287 (2020: £5,716).

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For the year ended 31 December 2021

The average number of employees during the year was as follows,

	2021 <u>Number</u>	2020 <u>Number</u>
Office and management	9	8

No emoluments or expenses were paid or waived by the trustees in the year (2020: none).

Number of employees receiving annual emoluments in excess of £60,000:

	2021 <u>Number</u>	2020 <u>Number</u>
£70,000 to £79,999	-	1
£80,000 to £89,999	1	-
£120,000 to £129,999	-	1
£130,000 to £139,999	1	-

Key Management Personnel Compensation

The pay and remuneration of the Key Personnel Management of the charity are reviewed from time to time. The pay is benchmarked against other similar roles in the sector. The Key Management Personnel Compensation including employer National Insurance and pension contribution paid in the year was £307,580 (2020: £304,929). The charity considers Key Management Personnel to comprise the trustees, who receive no remuneration, the Chief Executive, the Director of Policy and the Finance Manager.

9. NET INCOMING RESOURCES

Net incoming resources are stated after charging	2021 <u>£</u>	2020 <u>£</u>
Auditors' remuneration for audit of the accounts	8,690	10,570
Auditors' remuneration for payroll services	2,243	1,940
Depreciation	2,064	1,716
Operating leases - property	45,000	45,000
- others	8,065	3,896

10. TAXATION

The charity is a registered charity (number 296103) and is therefore not liable to corporation tax.

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

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

11. TANGIBLE FIXED ASSETS

	Computer Equipment £	Total £
Cost		
At 1 January 2021	5,425	5,425
Additions	2,513	2,513
Fully depreciated assets	(2,337)	(2,337)
At 31 December 2021	<u>5,601</u>	<u>5,601</u>
Depreciation		
At 1 January 2021	2,570	2,570
Charge for the year	2,064	2,064
Fully depreciated assets	(2,337)	(2,337)
At 31 December 2021	<u>2,297</u>	<u>2,297</u>
Net book value		
At 31 December 2021	<u>3,304</u>	<u>3,304</u>
Net book value		
At 31 December 2020	<u>2,855</u>	<u>2,855</u>

12. DEBTORS

	2021 £	2020 £
Trade debtors	83,324	171,797
Prepayments and accrued income	50,787	37,674
Other debtors	36,089	61,443
	<u>170,200</u>	<u>270,914</u>

There are no other debtors due after one year (2020: £22,048).

13. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals and deferred income	373,463	522,741
Taxation and National Insurance	16,590	25,692
Other creditors	1,736	9,675
	<u>391,789</u>	<u>588,108</u>

The pension liability at 31 December 2021 is £1,234 (2020: £1,276) with pension cost for the year at £12,249 (2020: £16,273).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

14. DEFERRED INCOME

	2021	2020
	£	£
Balance brought forward	495,172	407,838
Release to income during the year	(495,172)	(407,838)
Subscriptions income raised in advance in this year and not paid	81,625	167,105
Subscriptions in advance received in this year	247,289	280,567
Grant and other restricted income in advance received in this year	-	30,000
Other income raised in advance in this year	2,500	17,500
	<u>331,414</u>	<u>495,172</u>

15. PROVISIONS FOR LIABILITIES

Property provision

	2021	2020
	£	£
As at 1 st January and 31 st December	<u>24,000</u>	<u>24,000</u>

The property provision reflects the recognition of a dilapidation liability on the property leased to September 2022.

16. STATEMENT OF FUNDS

Statement of Funds – current year

	Balance at 1 January 2021	Income	Expenditure	Balance at 31 December 2021
	£	£	£	£
Unrestricted Funds	<u>1,406,868</u>	<u>843,693</u>	<u>(902,093)</u>	<u>1,348,468</u>
Restricted Funds				
Music Project	-	30,000	(30,000)	-
CyberSecurity	-	-	-	-
Digital Projects	-	-	-	-
Care Staff/ Registered Nurses	8,666	-	-	8,666
Total Restricted Funds	<u>8,666</u>	<u>30,000</u>	<u>(30,000)</u>	<u>8,666</u>
Total Funds	<u>1,415,534</u>	<u>873,693</u>	<u>(932,093)</u>	<u>1,357,134</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Statement of Funds – prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted Funds	1,399,632	839,565	(832,329)	1,406,868
Restricted Funds				
Music Project	-	7,000	(7,000)	-
CyberSecurity	-	64,776	(64,776)	-
Digital Projects	-	33,220	(33,220)	-
Care Staff/ Registered Nurses	8,666	-	-	8,666
Total Restricted Funds	8,666	104,996	(104,996)	8,666
Total Funds	1,408,298	944,561	(937,325)	1,415,534

Restricted funds:

Music Project: are funds received for running the Together with Music project.

Analysis of Assets between Funds

	2021 £ Restricted Funds	2021 £ Unrestricted Funds	2021 £ Total Funds
Tangible Fixed Assets	-	3,304	3,304
Cash at balance and in hand	8,666	1,590,753	1,599,419
Debtors	-	170,200	170,200
Creditors	-	(391,789)	(391,789)
Provision for liabilities	-	(24,000)	(24,000)
Total	8,666	1,348,468	1,357,134

	2020 £ Restricted Funds	2020 £ Unrestricted Funds	2020 £ Total Funds
Tangible Fixed Assets	-	2,855	2,855
Cash at balance and in hand	9,246	1,744,627	1,753,873
Debtors	38,220	232,694	270,914
Creditors	(38,800)	(549,308)	(588,108)
Provision for liabilities	-	(24,000)	(24,000)
Total	8,666	1,406,868	1,415,534

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. STATEMENT OF CHANGE IN RESOURCES APPLIED FOR FIXED ASSETS FOR THE CHARITY USE

	2021 £	2020 £
Net movement in unrestricted funds for the year	(58,400)	7,236
Resources used for net acquisition of tangible fixed assets	(2,513)	(2,439)
Net movement in unrestricted funds available for future activities	(61,913)	4,797

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £ Restricted	2021 £ Unrestricted funds	2021 £ Total Funds
Net movement in funds for the reporting period (as per the statement of financial activities)	-	(58,400)	(58,400)
Depreciation charges	-	2,064	2,064
Interest from investment	-	(198)	(198)
Decrease in debtors	38,220	62,494	100,714
(Decrease) in creditors	-	(196,319)	(196,319)
Net cash provided by/(used in) operating activities	38,220	(190,359)	(152,139)

	2020 £ Restricted	2020 £ Unrestricted funds	2020 £ Total Funds
Net movement in funds for the reporting period (as per the statement of financial activities)	-	7,236	7,236
Depreciation charges	-	1,716	1,716
Interest from investment	-	(3,481)	(3,481)
Decrease in debtors	(38,220)	42,289	4,069
Increase in creditors	-	115,494	115,494
Net cash provided by/(used in) operating activities	(38,220)	163,254	125,034

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NOTES TO THE FINANCIAL STATEMENTS

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19. ANALYSIS OF CASH AND CASH EQUIVALENTS INCLUDING NET DEBT

Analysis of Net Cash

	At 1 January 2021	Cash flows	Non cash changes	At 31 December 2021
	£	£	£	£
Cash and cash equivalents	1,753,873	(154,454)	-	1,599,419
Total net cash	<u>1,753,873</u>	<u>(154,454)</u>	-	<u>1,599,419</u>

20. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2021 or 31 December 2020.

21. LEASING COMMITMENT

At the balance sheet date, the company had commitments under non-cancellable operating leases as follows;

Operating leases which expire:

	2021	2020
	£	£
Within one year	36,695	46,770
Between two to five years	3,873	31,532
	<u>40,568</u>	<u>78,302</u>

22. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2021 or 31 December 2020.

23. RELATED PARTIES

Care England is a membership organisation. All of the trustees of Care England are directors, trustees or staff of companies and associations that are members of Care England. Owing to the nature of the operations of Care England, and the trustees being drawn from the organisations that are members of Care England, it is inevitable that transactions take place between Care England and organisations in which trustees have an interest. All transactions between the various organisations and Care England are at arm's length and are on the same basis for all members. None of the trustees of Care England or the companies and associations that they represent receives any benefit from these arrangements.

There are no other related party transactions in the reporting period or previous period that require disclosure.

