

THE BRENDONCARE FOUNDATION

England & Wales · Charity number 326508

Details

Other names	BRENDONCARE
Status	Registered
Legal form	Charitable company
Company number	01791733
Registered	1984-03-19
Register	View on the Charity Commission register

Contact

Address	The Old Malthouse Victoria Road Winchester Hampshire SO23 7DU
Phone	01962857098
Email	enquiries@brendoncare.org.uk
Website	www.brendoncare.org.uk

Activities

Objects: THE OBJECTS OF THE COMPANY (THE "OBJECTS") ARE: 3.1. TO RELIEVE OLDER PEOPLE WHO ARE IN NEED BY THE ESTABLISHMENT, PROVISION AND MANAGEMENT OF RESIDENTIAL ACCOMMODATION AND BY THE PROVISION OF MEDICAL, NURSING AND OTHER ASSISTANCE NECESSARY FOR THEIR CARE AND COMFORT; 3.2. TO PROVIDE OR TO ARRANGE FOR THE PROVISION OF ASSISTANCE, CARE OR COMFORT OF ANY KIND REQUIRED BY AN OCCUPANT OR OCCUPANTS OF ACCOMMODATION ESTABLISHED, PROVIDED OR MANAGED BY THE COMPANY PURSUANT TO CLAUSE 3.1 ABOVE; 3.3. TO PROVIDE FINANCIAL ASSISTANCE TO OLDER PEOPLE IN NEED IN ORDER TO ENABLE SUCH PERSONS TO ENTER INTO OR REMAIN IN OCCUPATION OF SUCH ACCOMMODATION; 3.4. TO PROVIDE OR ARRANGE FOR THE PROVISION OF MEDICAL, NURSING AND OTHER ASSISTANCE NECESSARY FOR THE CARE AND COMFORT OF OLDER PEOPLE; 3.5. TO PROMOTE THE WELL BEING OF OLDER PEOPLE BY PROVIDING FINANCIAL ASSISTANCE, ITEMS, SERVICES OR FACILITIES CALCULATED TO IMPROVE THEIR QUALITY OF LIFE AND TO ENABLE OR ASSIST THEM TO MAINTAIN THEIR INDEPENDENCE. IN THIS ARTICLE 3 "OLDER PEOPLE" SHALL MEAN INDIVIDUALS AGED 60 AND OVER AND INDIVIDUALS AGED BELOW 60 WHO ARE SUFFERING FROM CONDITIONS OR DISEASES COMMONLY ASSOCIATED WITH OR SIMILAR TO THOSE OF OLD AGE.

Activities: Brendoncare's purpose is to support older people, and its principal activities are the development and management of care centres (of which it currently has ten), and volunteer-led friendship and well-being clubs (of which it currently has over 60), situated in the South of England.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Acts As An Umbrella Or Resource Body
- **What:** The Advancement Of Health Or Saving Of Lives, Accommodation/housing
- **Who:** Elderly/old People

Geography

- Bournemouth
- Buckinghamshire
- Devon
- Dorset
- Hampshire
- Poole
- Southampton City
- Wandsworth
- West Sussex
- Wiltshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£27,848,000	£27,967,000	£18,266,000	640
2024-03-31	£24,871,000	£26,820,000	£18,385,000	614
2023-03-31	£27,485,000	£26,939,000	£20,524,000	662
2022-03-31	£24,332,000	£26,043,000	£18,718,000	758
2021-03-31	£25,867,000	£26,720,000	£20,328,000	767

Trustees

Name	Role	Appointed
Alison Richardson		2025-05-30
David John Parfitt		2017-06-15
Dr Jane Elizabeth Williams		2019-12-03
Dr SARAH LINDSAY HOBHOUSE		2018-09-26
Fay Gillott		2017-06-15
Gordon Michael Tillett		2019-12-03
Ian David Jacobs		2018-07-31
Katherine Sarah Christie		2022-07-05
Peter Edwin John Fellows		2024-11-29
Philip Dowson		2020-12-08
Phillip Rodney Sykes		2021-02-09
Richard Turner		2022-04-26

Accounts

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2025



The Brendoncare Foundation

The Old Malthouse
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Winchester
SO23 7DU

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www.brendoncare.org.uk

Company no: 01791733

Charity no: 326508

The Brendoncare Foundation

Contents

For the year ended 31 March 2025

Contents	Pages
Reference and administrative details	2
Report of the Trustees	4
Independent auditor's report	19
Consolidated statement of financial activities (incorporating an income and expenditure account)	23
Balance sheets	24
Consolidated statement of cash flows	25
Notes to the financial statements	26

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2025

Company number	1791733	
Country of incorporation:	England and Wales	
Charity number	326508	
Country of registration:	England and Wales	
Registered office and operational address	The Old Malthouse Victoria Road Winchester SO23 7DU	
Patron	Her Royal Highness The Duchess of Edinburgh GCVO	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Philip Dowson	Chair of Board
	Professor Alison Richardson	Appointed 30 May 2025
	Katherine Christie	
	Lee-Ann Fenge	Chair of Charitable Impact Committee
	Peter Fellows	Appointed 29 November 2024
	Fay Gillott	Chair of Development Committee
	Sarah Hobhouse	Chair of Care and Clinical Governance Committee
	Ian Jacobs	
	David Parfitt	
	Helen Roberts	Resigned 30 August 2024
	Phillip Sykes	Chair of Finance & Audit Committee
	Gordon Tillett	Chair of People Committee
	Richard Turner	
	Jane Williams	
Vice Patrons	Nick Bosanquet	Sir Anthony Newman-Taylor
	Janet Budd	Lady Elisabeth Ribeiro
	Marie-Therese Hill	Joe MacHale
	The Viscount Lifford	Simon Theobalds
	Peter Willan	Harvey White (Chair)
	Jilly Morton	
Secretary	Marianne Wanstall (resigned 30 th September 2024)	
	Gareth Morgan (appointed 30 th September 2024)	
Bankers	Barclays Bank PLC 50 Jewry Street Winchester SO23 8TN	

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2025

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
London
EC1Y 0TG

Management Team

Chief Executive	Marianne Wanstall until 30 th September 2024; Michael Crutchley from 1 st January 2025
Chief Financial Officer	Gareth Morgan
Director of Care & Wellbeing	Michael Crutchley until 31 st December 2024
Director of Charitable Impact and Community Services	Samantha Agnew until 7 th February 2025
Director of Business Development	Emma Digance
Director of Operations	Penny Lamb from 1 st January 2025
Director of People	Aileen Ohlson until 30 th August 2024; Anne Horn from 4 th May 2025

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

The Trustees present their report and the audited financial statements for the year ended 31 March 2025.

Reference and administrative information set out on pages two and three forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chief Executive's Summary

As Chief Executive, it is my privilege to present Brendoncare's annual financial report, reflecting on a year marked by significant challenges and transformative change.

In our previous financial report, we emphasised the importance of strong commercial governance in executing our strategy. This governance, underpinned by changes to our operating model, has enabled us to consistently deliver high-quality care services while improving commercial performance to support our future development plans. I am pleased to report that we are now seeing the impact of these efforts, with a significant operational turnaround compared to the previous year, with further progress since the year-end.

A key highlight was our newest care home, St Giles View in Winchester which opened in September 2023, reaching full occupancy within one year of opening. With a continual focus on quality, delivered by Brendoncare colleagues and volunteers, we were proud to also see a substantial reduction in agency staffing use, a positive yield and the embedding of a sustainable operating model.

Towards the end of the year we undertook a restructuring of our central office and community services operating model to position Brendoncare for a more stable and sustainable future. Like many organisations in the social care and charity sectors, we reviewed the services we offer and how we support them to be delivered to ensure our long-term sustainability, partly in response to increased financial pressures following announcements in last autumn's Budget. With a focus on productivity and governance, we reduced our central office function costs significantly as we aimed for a lean and agile support model to our services.

We made the difficult decision to step back from operating some of our community clubs in Dorset and Hampshire. However, we are proud to share a positive outcome. Thanks to the outstanding efforts of our colleagues, volunteers, members and local partners, an incredible 90% of the affected clubs remain open under alternative providers. These clubs continue to serve their communities, providing vital connection and support.

More than 30 in-person clubs continue to run in Hampshire, most of them operating from our Otterbourne and Gosport hubs, with others in Chandlers Ford, Fareham, West End and Winchester. Our online clubs – including virtual clubs, telephone support and digital coaching – continue to operate as before, providing vital connection and companionship to help combat loneliness and isolation and reducing the digital divide among older people. As well as the community support services, these recent changes did not affect any of our other services, including our care homes and extra care housing.

These changes position us to meet the challenges of the future so that we are equipped to meet the needs of the rising numbers of older people especially those living with dementia or who feel isolated and lonely. For them, we will continue delivering exceptional integrated services that make a real difference.

In the face of this ever-evolving landscape, I would like to express heartfelt thanks to everyone who contributes to the life of Brendoncare — our Patron, Trustees, Vice Patrons, colleagues, volunteers, residents and members, relatives and supporters. On behalf of the entire organisation, we are deeply grateful for their continued support and dedication.

Michael Crutchley
Chief Executive Officer

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Objectives and Activities

Our vision and purpose support our commitment to older people.

Our vision: *We are committed to supporting older people.*

Our purpose: *We empower people to live well through the provision of age-friendly places and services.*

Our values:

We are kind.

We are empowering.

We are dedicated.

We are forward thinking.

Strategic Report

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

In preparing this report, the Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 applicable to large companies.

Achievements and Charitable Objectives

40th Anniversary

Brendoncare's 40th anniversary year concluded with the burial of a time capsule in the garden at Brendoncare Otterbourne Hill on Tuesday, 12th February 2025.

The capsule holds a collection of photographs, poems, letters, and stories that reflect the many celebrations and activities held throughout the anniversary year. It also features the inspiring stories of the 40 Faces of Brendoncare — a diverse group of colleagues, residents, volunteers, club members, patrons, and professionals who represent the charity's values and ethos.

A special highlight included in the capsule is a memory stick containing a cover version of Stevie Wonder's *I Just Called to Say I Love You*, performed by residents, colleagues, volunteers, and club members — a lasting tribute to the spirit of community and connection at the heart of Brendoncare.

Community Services

As well as delivering vital care services in our homes, Brendoncare is actively working to reduce loneliness through a range of community initiatives and support networks.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Despite making the difficult decision to step back from running our community clubs in Dorset and some in Hampshire, we worked hard to ensure that most of them services could continue through finding alternative providers to operate them.

Our focus now is to broaden our range of community services. Bringing new hubs to the group in addition to those offered at our two main hubs at Otterbourne Hill and in Gosport for the benefit of the communities they serve, while retaining our community presence at our clubs in Chandlers Ford, West End and Winchester.

During the year, more than 150 people took part in exercise at 15 of our clubs, the activities ranging from seated fitness to Zumba, while two of our Otterbourne Hill clubs offer regular dementia-friendly activities.

Our telephone support services were used by 114 members with a total of 1390 calls being made, 84 members receiving regular calls from our telephone volunteer team.

We were thrilled to launch of our first digital café at Otterbourne Hill, run by volunteer digital champions, to help older people become more tech-savvy. A second is now being added at Gosport. We now have seven volunteer digital champions who give guidance in person and online.

Operating Review

Brendoncare's principal activities and objectives are:

- Management of seven care homes across southern England to provide quality care in residential settings. In the past year, Brendoncare has delivered care to 507 people.
- Managing and financially supporting community services including in-person and online clubs, digital cafés, telephone and digital support. All these services have helped to reduce loneliness and social isolation among older people in the communities we serve.
- Management of five extra care housing developments where we support people in privately owned or rented apartments and bungalows.

Care Homes

Brendoncare's seven care homes provide quality care and support to residents and their families.

Our residential care homes at **Brendoncare Knightwood** and **Brendoncare Meadway** enable residents to live independent, fulfilling lives with the focus being on promoting a sense of community and social interaction.

Brendoncare Stildon offers high quality nursing care for residents needing both nursing and personal support, but at the same time, enjoying the homely feel the care home provides.

Dementia care is delivered at four of our care homes. **Brendoncare Alton** has a dedicated dementia household as well as offering nursing, respite and end of life care. There is a 16-bed dementia household at **Brendoncare Froxfield**, where nursing, respite and end of life care are also available in its lovely rural setting.

Brendoncare Otterbourne is purpose-built to incorporate dementia-friendly features, together with providing extra care housing for couples and singles living with dementia in the adjacent Mews.

Brendoncare St Giles View is our first Winchester care home offering dementia care as well as nursing, respite and end of life care.

During the past year we saw increasing occupancy, finishing the year just ahead of our occupancy target. Occupancy has continued at a high level in 2025/26.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Care for Life

In 2024/25, Care for Life enabled us to support residents to remain in their Brendoncare home when their personal funding came to an end. Having explored other options with families and local authorities, Care for Life offers security and peace of mind to residents and their families. This commitment, to do our very best to support people to stay with us, reflects Brendoncare's long-standing dedication to dignity, stability and lifelong support in care.

Non-operational assets

Brendoncare has begun a process to sell assets that are either non-operational or non-revenue generating. As a result, we aim to sell three properties, and currently we anticipate completing these sales in the next 18 months. This will provide additional financial resources towards Brendoncare's growth strategy and in particular, potential redevelopment of some of our other existing Homes and potentially new developments.

Extra Care Housing

Brendoncare's five extra care housing developments offer older people the opportunity to live independently in their own homes, with the reassurance that care, and support are close at hand.

At **Mary Rose Mews** in Alton, **Knightwood Mews and Crescent**, **Stildon Mews**, and **Old Parsonage Court**, residents can purchase their own apartment or bungalow in a community designed to support later life.

Additionally, **Otterbourne Mews** offers purpose-built rental apartments specifically for couples where one partner is living with dementia, providing tailored support within a safe and compassionate environment.

Community Services

Following the change in services, Brendoncare now operates **33 community clubs**, supporting hundreds of people across our network. These services are now run through the Foundation following the transfer of business from Brendoncare Clubs as at 31 March 2024. In 2024/25, members contributed £14.85 per month, allowing them to access our services as often as they wish.

To ensure inclusivity, our **Access Fund** provides fully funded membership to individuals receiving means-tested benefits. Free membership is also extended to relatives of Brendoncare residents, carers, individuals receiving respite care, and all Brendoncare volunteers.

Thanks to the generosity of supporters, we received £52k in charitable donations (2024: £65k). While this represents a decrease, we continue to actively pursue new partnerships to reach and support those who need us most. As part of our five-year strategy, we will be further integrating community services with our Homes.

Our **digital support services** have expanded, with our team of **Digital Champion volunteers** offering practical help to members with getting online. Many individuals benefited from digital support sessions over the past year, helping them stay connected, informed, and engaged. Activity over the past year has included:

- More than 120 people including carers and care home residents received free membership, enabling access to our range of community support services. This figure included many on low incomes whose membership is funded through our charitable Access Fund.
- Over 150 people benefited from exercise at 15 of our clubs. Activities ranged from Zumba and seated fitness to Tai Chi and kurling.
- Two Brendoncare clubs – Singing for the Brain and Memory Lane Café at Otterbourne Hill – offer regular dementia friendly activities in a group setting.
- 114 members received telephone support at some time during the year (including one-off signposting and referral support).
- A total of 1390 calls were made, with 84 receiving regular calls from our team of volunteers.
- 636 attendances at 105 online club sessions and events.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

- 709 people were recipients of Community Support Service during the year via telephone support, online clubs and events and digital support.
- Brendoncare now has seven volunteer digital champions who give guidance and support to help members become more tech-savvy.
- 1195 attendances at Brendoncare's digital champion's support sessions, reducing the digital divide and empowering members to learn new skills.

Volunteering

Volunteers are key members of Brendoncare's team.

We value every individual choosing to give of, and share, their time, and skills so generously with us. We are proud to be holders of the Investing in Volunteers award, given in recognition of Brendoncare's commitment to volunteering.

We currently have:

- 138 Volunteers
- 100 of these are in our Community Clubs and Community Services; 20 are Telephone Support Service Volunteers and 7 are Digital Champions.
- 38 volunteers in our Care Homes.
- Our Trustees are also volunteers. The Foundation has 12 Trustees.

We recognise the contribution of our volunteers during Volunteers Week which runs during the first week of June each year. We use this week to highlight the range of activities in which they engage at our care homes and community service, thanking them through special events, cards and vouchers.

Colleagues

Our colleagues are the heart of the high-quality care in our care homes, extra care housing and community services.

As an equal opportunities' employer, Brendoncare treats each employee, volunteer, or job applicant fairly, basing every decision solely on the abilities and aptitudes of the individual concerned in relation to the role or training opportunity.

Over the past year, we have:

- Started developing a Nurse Associate Programme. We currently have two colleagues on the programme with another intake set for later this year.
- Through consultation with colleagues, we have chosen to invest in pay enhancements for hours worked at nights, during weekends and Bank/public holidays. This applies to all colleagues working in our care homes and is part of our commitment to reduce the use of agency workers, to ensure that familiar Brendoncare team members are at the forefront of our quality care.
- We ran a series of forums in the Autumn of 2024 giving all colleagues the opportunity to come together with the Senior Leadership Team. They had a chance to discuss any concerns, ask questions, share what is working well or what is working less well. It also provided a platform to share information from across the organisation and to celebrate successes.
- We have listened to colleague feedback about their uniforms. Following consultation with them, we sourced new uniforms which better suit their needs and give a consistent representation of the Brendoncare brand.
- We have relaunched the Extra Mile Awards, aligning them to Brendoncare's values.

We value the development and empowerment of our colleagues, providing learning and development opportunities that recognise the diversity of our workforce, builds careers and recognises individual aspirations.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Remuneration Policy

We relate pay differentials to the skill level required, workload, responsibilities, qualifications and external labour market forces. Our policy is that the ratio of the pay of the Chief Executive to the pay rates of the lowest paid colleague will not exceed 10:1. The ratio is currently 5.3:1.

We undertake annual pay reviews, generally on 1st April. The annual review considers the following internal factors:

- The turnover rate amongst colleagues in general, specific locations and particular roles
- The organisation's financial position and outlook
- The usage and cost of colleagues provided by agencies
- Additional data that can inform the review

The annual review takes account of the following external factors:

- The general economic outlook, including labour markets generally but specifically hard to fill markets
- The National Minimum Wage and the real Living Wage
- The consumer prices index (CPI) and/or other cost of living indices
- The average earnings index (AEI)
- The annual pay survey of the National Care Forum and/or any other appropriate source of relevant benchmarking information
- Additional data that can inform the review

The People Committee takes advice, guidance and information from such outside sources as may be necessary to review the pay of senior colleagues with substantial strategic responsibilities.

We have set up processes to ensure that we can meet the needs of Gender Pay Reporting. For 2024/25 we reported that measured as a median, women's pay was 1.2% higher than men's pay. The median gap nationally in the same period was that women's pay was 7% lower. The full report can be viewed on our website, www.brendoncare.org.uk/resources. Our next Gender Pay Report is due to be reported by 4 April 2026.

Impact and Effectiveness

At Brendoncare, making a meaningful difference in the lives of those we support is at the heart of every decision we make. Our mission drives us to rigorously measure the impact of our charitable services—not just in numbers, but in real-life outcomes.

We track key outputs such as the number of individuals supported, while also collecting both qualitative and quantitative data, including survey feedback, case studies, and self-reported wellbeing scores.

This rich data set does more than show our reach—it shapes the way we develop and improve our services, ensuring we remain aligned with our charitable objectives and continue to deliver real value to those who rely on us.

To maintain the highest standards of quality and compliance, Brendoncare operates within a robust clinical governance framework. This includes regular audits, quarterly internal compliance reviews, and continuous quality monitoring by the Registered Manager, Head of Quality, and Head of Care. Oversight is provided by the Care and Clinical Governance Committee, which holds overall responsibility for the quality and compliance of the care we provide.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Energy and carbon reporting

Brendoncare has collected evidence of the charity's environmental impact in accordance with the Streamlined Energy and Carbon Reporting (SECR) guidance. The data for the 12 months to 31st March 2025 is shown below.

During this period, energy usage totalled 4,800,723 kWh (2024: 4,350,936kWh) which can be analysed further as follows:

- Electricity – 2,144,866 kWh (2024: 2,025,197)
- Gas – 2,617,657 kWh (2024: 2,293,258)
- Transport – 38,200 kWh (2024: 32,482)

Energy usage for electricity and gas is based on meter readings for actual consumption during the reporting period. The figure noted above for transport relates solely to colleagues use of privately owned vehicles for business use, where Brendoncare has reimbursed the cost of this mileage. The usage for transport is based on the number of travel miles reimbursed to colleagues during the year.

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO2e) for the reporting period was 515 tonnes (2024: 885 tonnes). This works out at a ratio of 1.66 tonnes per bed based on 311 beds available across all Brendoncare sites (2024: 2.8 tonnes based on 334 beds). The reason for this fall despite using more energy is the shift towards greener electricity supply.

Brendoncare continues to work to improve energy efficiency across the organisation. We are moving away from non-LED energy efficiency lighting where we can as well as fitting insulation to piping and pipe joints as we undertake maintenance around our estate and where insulation is not already in place. We continue with a hybrid working policy meaning that most office-based colleagues can now work from home on some days each week. We now hold many meetings via Teams, reducing travel where possible and will aim to continue to evolve our flexible working models.

Our newest care home, Brendoncare St Giles View which opened last year has been built to be rated BREEAM 'excellent', meaning it is in the top 10% for sustainability for UK new builds.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Customers and Suppliers

Having good business relationships helps to ensure the smooth running of the charity and we are committed to working to a fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity. The Board and senior management team regularly discuss the nature of relationships with key stakeholders and have clear engagement processes with suppliers and customers. We agree payment terms with all our business partners.

We recognise that sometimes things go wrong and Brendoncare has an established complaints policy and process to ensure that we review and address appropriately all complaints we receive.

FINANCIAL REVIEW

The combined Consolidated Statement of Financial Activities and Income and Expenditure Account is set out on page 22 and show a net movement in funds of £(119)k as compared with a net movement of £(2,139)k in 2024. The net assets at the end of the year stood at £18,265k (2024: £18,385k) and principally represents our investment in care home buildings. In fact, our general fund stands at £(927)k as the result of prior year financial performance and the value of assets in our estate which is included in designated funds. The fund value at 31 March 2024 was £(1,030)k. The current year's balance is still below our target reserves level of £3,200k which is based on 6 weeks total budgeted expenditure however, we anticipate in 2025/26 and 2026/27 releasing asset value back into liquid funds and free reserves. We have also benefited from a further improvement in operating performance so far in 2025/26. With occupancy remaining high we expect to achieve a surplus. We are therefore confident that we will have substantially improved our general fund level by 31 March 2026 towards our current target level.

The result for 2024/25 is a significant improvement reflecting improved occupancy in our Homes, a full year of operation at our newest home, St Giles View and tighter cost control. Towards the end of the year, we also implemented a formal restructure process reducing our central overhead costs and reconfiguring our Community Services operations ahead of introducing a new strategy aiming to integrate our services more closely. As mentioned above, we are also selling non-operational assets and we expect this process to inject cash back into the business. These funds – along with further borrowing - will be used to support Brendoncare's growth plans.

The principal funding source for the charity during the year was fees for care services provided to our residents. These funds enable us to provide the quality care and community services that Brendoncare provides to help tackle the issues faced by older people.

Another factor affecting our bottom-line was that the interest rate swaps that The Brendoncare Foundation holds with Barclays Bank were marked to market at the year-end leading to recognising a reduction in value of £100k. Our interest rate swaps enable us to convert variable rate liabilities into fixed rate providing greater certainty for the business in volatile economic markets. The value of the swaps has reduced as interest rates have fallen slightly.

GOING CONCERN

The Trustees have reviewed the financial performance in the year to 31st March 2025, the financial budget and performance to date for the year ending 31st March 2026, together with financial and cash flow forecasts beyond the period to 31st March 2026 which include a range of scenarios and stress testing and modelling of our future growth plan.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

The group made a small deficit of £119k in the year ended 31st March 2025. Outstanding debt has continued to fall and our overall debt:asset ratio is very low as compared with most care groups. As the result of improving performance, group cash balances have also increased to £4,622k. This includes cash that is set aside to meet the cost of renewals, replacements, improvements and other items of capital expenditure of our leasehold apartment estate. Since the 31st March 2025 year-end, our performance has continued to improve. We expect operating performance to continue to be cash generative through 2025/26 and we also anticipate completing two non-operating asset sales in that period with another the following year.

Given this and with a clear strategy to both expand our delivery of care and community services in that period and continue to drive greater efficiency we believe the fortunes of Brendoncare will continue to improve.

In evaluating going concern, the Trustees have reviewed these plans and considered the financial impact of several scenarios and specifically sensitivity to fluctuating occupancy and the extent to which this could occur across the whole estate. The likelihood of all homes experiencing such a scenario is small and therefore the Trustees concluded that Brendoncare holds sufficient reserves to be able to absorb the impact of these scenarios should they occur and given the plans in the next year and beyond.

The Trustees therefore have a reasonable expectation that Brendoncare has adequate resources to continue its operations for the foreseeable future and therefore concluded that it is appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Assets and Investments

Brendoncare's care homes are The Foundation's principal assets. The changes in fixed assets during the year are set out in note 10.

The Trustees have wide investment powers conferred on them by the Memorandum of Association. In practice, however, these powers are little used as Brendoncare does not have surplus funds, after meeting its charitable support requirements with which to acquire long-term investment assets other than additions to its care homes.

Temporary surpluses are invested in short-term cash deposits, and short-term property investments have arisen in the past during the development of property schemes. No such investments have been made during this financial year.

Cash, Borrowings and Interest

Brendoncare maintains cash resources sufficient to ensure the safe and continuous running of the charity. The operating costs in the year to 31st March 2026 are expected to be £2.3m a month. Brendoncare's policy is to aim to have cash resources sufficient to meet these operating cash flows for a minimum of 2 months. Current cash levels are in line with these targets and are significantly higher than bank covenant requirements. We also expect these levels to increase again during the remainder of 25/26.

Net debt decreased to £3.9m (2024: £6m) however, retained funds have fallen slightly to £18.3m (2024: £18.4m) due to the small deficit made this year as outlined above.

Brendoncare's secured sterling bank debt of £8.6m (2024: £9.8m) has maturity dates between 2026 and 2029 and is, in effect, a mix of fixed and variable interest rate loans. In managing Brendoncare's risks, the Trustees considered it appropriate to mitigate the short-term risks to Brendoncare arising from higher changes in interest rates using sterling interest rate swaps on a proportion of the total borrowings. These are closely matched to the underlying debt profile. With the use of swaps, 78% of Brendoncare's bank debt as at 31st March 2025 has been converted, in effect, to fixed interest terms. Further information regarding the applicable interest rates is included within note 16.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Reserves Policy

As outlined in Note 20 of the accounts, Brendoncare amended its accounting policy for reserves during the year so that the treatment was more in line with that described in the Charities SORP FRS 102 (Third Edition). The changes do not alter the level of reserves, merely their allocation between different funds so that the nature of these funds and the amount of free reserves and how this balance compares to the target level of free reserves in our reserves policy is clearer. The types of funds are described below:

Restricted Funds – as with the previous policy, all funds received where there is restriction placed upon the use of those funds by the donor, will be shown as restricted funds received. To the extent that such funds are unspent at the year-end, these funds will be shown and described as restricted. Unlike the previous policy, where the funds have been used to help acquire property or other fixed assets, unless there is a residual restriction, the balance of these fixed assets will be recognised at net book value as a designated fund.

Designated Funds – The principal designated fund is one that is equal to the net book value of all fixed assets less associated borrowing. This reflects the fact that these funds are not freely available to be used as general funds and include the value of those fixed assets that had previously been purchased in part or in whole using funds restricted for that purpose. The Trustees can designate other funds for specific purposes. Currently the only other designated fund is for Sinking Funds where the Charity holds funds in relation to the sinking fund balances, which we are obligated to hold for the leaseholders of the apartments to which they relate, to meet our obligations under the lease. These funds are included within designated funds and are made up of £3.0m.

General Funds – All remaining funds Brendoncare holds are free reserves within our general fund and available for any of the purposes of the Charity. As at 31st March 2025 free reserves were £(0.9)m.

Reflecting on the size, complexity, the level of financial risk and extent of commitment to future expenditure, the Trustees have determined that an appropriate level of free reserves should be the equivalent of approximately 6 weeks operating costs. The target level of free reserves is therefore £3.2m. Despite making significant strides in improving our position after a challenging year in 2023/24, we are still some way off achieving this level of free reserves, however the Board and senior team have an ambitious strategy and expect us to reach our target free reserves level during the period to 31st March 2026 as the result of continued improved operating performance and the completion of sales of non-operating assets.

Fundraising Practices

Brendoncare is fully committed to ethical and responsible fundraising. We adhere to the standards set by the Fundraising Regulator and the Chartered Institute of Fundraising, ensuring that all our fundraising activities are respectful, open, honest, and accountable to the public.

We have a clear and robust complaints procedure in place, allowing us to respond promptly and appropriately to any concerns about our fundraising practices. We are pleased to report that during the year, there were no instances of non-compliance with the Fundraising Code of Practice, and no complaints were received in relation to our fundraising activities.

Our fundraising policy includes specific measures to safeguard vulnerable individuals. We take care to ensure that anyone we engage with has the capacity and understanding to make an informed decision about supporting the charity.

The Board of Trustees regularly reviews our fundraising approach, standards, and compliance to ensure we continue to meet regulatory expectations and uphold public trust in our work.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

FUTURE PLANS

In June 2025, Brendoncare published its 2025 – 2030 Strategy: *Delivering Total Care, Strengthening Communities*.

This strategy reaffirms our core purpose as a charity: to empower people to live well through age-friendly environments and services. It builds on Brendoncare's 40-year legacy of excellence and innovation, shaped by our founders' vision of 'Total Care' for older people. By placing 'Total Care' at the heart of our approach, we aim to reach more individuals, enhance wellbeing, and deliver seamlessly connected residential and community support.

Our strategy is driven by the challenges facing older people:

- Today, 1 in 11 people in the UK over the age of 65 have dementia. By 2023, it is estimated that the number of people with dementia will be more than one million
- Around 70% of all care home residents have dementia or memory loss
- Around 10% of the population aged over 65 is lonely all or most of the time
- 22% of adults lack the essential digital skills needed for everyday life, with a substantial portion of this group being older individuals

The strategy challenges us to further integrate our services — care homes, extra care housing, and community support — to maximise our impact as a charity for the people we serve. Above all, every decision is guided by a commitment to quality and to placing the individual needs of those we care for and support at the centre of everything we do.

Strategic Objectives

Brendoncare's four strategic objectives are:

- 1) Provide the care and support that older people need and want
- 2) Ensure our places are great places to live, work, meet and socialise
- 3) Be a brilliant place to work and volunteer
- 4) Be financially fit and efficient to build organisational resilience

In the year ahead, we are focussing on exciting developments that will strengthen and expand our impact in the communities we serve. These will include the launch of a new community hub at Brendoncare Knightwood. We will also be advancing our digital strategy to improve efficiency and service delivery. To meet the needs of local communities, we are laying the groundwork for a new domiciliary care service. Shaping our 10 year growth strategy will ensure we bring Brendoncare's services to even more people and continue to make a lasting difference to the lives of those we support.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees hold overall ownership of risks. Trustees, in conjunction with the Senior Leadership Team (SLT), have identified and reviewed the major risks to which the Group is exposed, and systems are in place to manage such risks.

The Trustees have a policy to embed effective risk management throughout Brendoncare such that risks are identified, mitigated, and communicated, and good risk management practice is shared across the organisation.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

The Risk Register, including amendments from the committees, is reviewed by the board of Trustees at least annually. The Committees under the Board take ownership for managing the risks within their remit on a regular basis and perform more detailed examination of key risk areas and management responses. Day-to-day management of risk is delegated to the SLT and the Brendoncare Management Team. The main risks and the mitigating actions are shown on the pages that follow.

Risk area	Assessed risk	Control measures
Compliance with laws and regulation	Failure to meet standards, resulting in potential downgrading or reporting, or liability with respect to health & safety, data protection or food standards failures or breaches.	Internal inspections and audits alongside advice and training and the regular review of processes and policies.
Impact of falls in occupancy	Our operating model is heavily dependent upon occupancy levels across our estate and there is a risk that this reduces due to levels of attrition, competition, the need to increase fee levels and gaps between local authority income and expected fees	Targets and budgets. Financial reporting including yield, occupancy. Monitoring of attrition levels. Dedicated CR team. Review of contract/process, including price management. Outsourcing of care home enquiry calls to increase capacity. Improving financial resilience through growth strategy.
Having appropriate governance structures and the right skills and knowledge in our Board of Trustees	Committee structure does not own all governance oversight. Lack of formal training means Trustees are not clear on role and responsibility. Poor attendance results in gaps in knowledge.	Review of SLT structure roles and responsibilities including lines of reporting into committees. Review of committee structure. Formal training for Trustees. Annual board/ SLT feedback on performance and attendance.
Changes in government policy have a negative impact on our business	Changes to how social care is funded as well as changes to . minimum wages and other statutory staff cost changes have an impact on business cost and care fees.	Develop clear future financial models which can be flexed to understand specific impacts. NCF membership to ensure voice of sector is heard and we can discuss impact and actions with peers.
A major incident or complaint or an event that causes the closure of any of our Homes	Major incidents impact brand trust and therefore business viability and the closure of a Home may have significant impact in terms of lost revenue as well as reputation.	There are clear processes for incident oversight through Board committees and the leadership team and senior management. Any significant incidents are reported to the main board and carefully managed. We also have a robust complaints procedure and maintain appropriate insurances and business continuity processes.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

The group's ultimate parent undertaking is The Brendoncare Foundation. The Foundation is a charitable company limited by guarantee and was incorporated on 14 February 1984 and registered as a charity on 19 March 1984.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

The Foundation also has two dormant subsidiaries, Brendoncare Clubs and Brendoncare Enterprises. It is expected that these subsidiaries will, in due course, be formally wound up and struck off.

Governance and Management

The Trustees are Directors for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 2011. The Trustees are required to be members of Brendoncare and are elected by approval of the members. The Board meets at least six times in a calendar year to agree strategic and policy matters, to approve investment projects and to review the operational performance of Brendoncare.

The Charity has four Committees which are delegated certain responsibilities from the Board and meet at least quarterly to review these: Finance and Audit, Care & Clinical Governance, Business Development, and People (formerly Remuneration). Responsibility for day-to-day operations is delegated to the Chief Executive, working within the framework of the approved strategy and business plan. There is also a Charitable Impact Committee though in 2025, its business will be divided into the relevant other committee meetings.

The Board and Committees met as follows during the year to 31st March 2025:

- Board – seven meetings
- Care & Clinical Governance Committee – four meetings
- Finance and Audit Committee – six meetings
- Business Development Committee – six meetings
- People Committee – four meetings
- Charitable Impact Committee – four meetings

As part of its governance procedures the Board regularly reviews the skills mix of the Board and plans for any future retirements.

A Trustee elected by the Board is appointed for a three-year term and is eligible for re-election at the end of this term. The Trustees have adopted a policy of limiting the total time in office to nine years, with certain exceptions for Committee Chairs.

Trustees receive induction training provided by colleagues at Brendoncare, and attend regular development sessions, provided by colleagues and third-party experts, to enhance their understanding of issues faced by the charity. On appointment, Trustees receive a handbook containing a broad range of information aimed at assisting them to gain a deeper and more structured understanding of their role and of Brendoncare, and this is updated regularly.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Brendoncare reviews its governance arrangements regularly by assessing itself against the criteria set out in various publications, including the Charity Commission's Charity Governance Code, and establishing an improvement programme based upon its findings. In the event of a winding up, the members are liable to contribute an amount not exceeding £1 each.

EMPLOYEE ENGAGEMENT AND POLICIES

Brendoncare and its Trustees strive to treat all colleagues equally and be a diverse and inclusive workplace, where everyone can be themselves. We also encourage applications from people with disabilities, aiming to develop their skills and taking every reasonable measure to adapt our premises and working conditions to enable people with disabilities to work or volunteer with us.

At Brendoncare we have many formal and informal arrangements for keeping staff up-to-date and able to engage with matters of concern to them as employees.

Managers throughout the organisation hold regular, structured meetings with colleagues they manage providing an opportunity for communication of information and discussion of events as they develop. There are regular forums both within and across managers from different teams for example, the Brendoncare Leadership Team enabling managers to share experiences and participate in discussions about strategy and issues that affect all colleagues across the organisation.

The Trustees consider colleague interests as a key factor in decision-making. However, on some occasions the Trustees need to make decisions that are in the best interests of the Charity, even though this may have a negative impact on some colleagues, in which case action is taken to manage or mitigate this.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2025

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) are responsible for preparing the report of the Trustees including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was reappointed as the charitable company's auditor and has expressed their willingness to continue in that capacity.

The report of the Trustees which includes the strategic report has been approved by the Trustees on 17th November 2025 and signed on their behalf by

Philip Dowson
Chairman of Trustees

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinion

We have audited the financial statements of Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the Trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

Independent auditor's report

To the members of

The Brendoncare Foundation

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Independent auditor's report

To the members of

The Brendoncare Foundation

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

Capability of the audit in detecting irregularities

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

- We enquired of management and the Finance & Audit Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

The Brendoncare Foundation

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

25 November 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor 110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Brendoncare Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £'000	Restricted £'000	2025 Total £'000	Unrestricted £'000	Restricted £'000	2024 Total £'000
Income from:							
Donations and legacies	2	52	79	131	96	115	211
Charitable activities							
Care Homes and Housing with Care	3	27,248	269	27,517	24,262	186	24,448
Friendship and well-being clubs	3	89	-	89	87	-	87
Investments		111	-	111	125	-	125
Total income		27,500	348	27,848	24,570	301	24,871
Expenditure on:							
Raising funds	4a	202	-	202	157	-	157
Charitable activities							
Care Homes and Housing with Care	4a	26,596	70	26,666	25,641	64	25,705
Friendship and well-being clubs	4a	980	29	1,009	870	88	958
Total expenditure		27,778	99	27,877	26,668	152	26,820
Net income/(expenditure)		(278)	249	(29)	(2,098)	149	(1,949)
Transfers between funds	20a	30	(30)	-	3,463	(3,463)	-
Net income/(expenditure) for the year before other recognised gains and losses	5	(248)	219	(29)	1,365	(3,314)	(1,949)
Change in valuation of interest rate swaps	17	(90)		(90)	(190)	-	(190)
Net movement in funds		(338)	219	(119)	1,175	(3,314)	(2,139)
Reconciliation of funds:							
Total funds brought forward		15,508	2,877	18,385	14,333	6,191	20,524
Total funds carried forward		15,170	3,096	18,266	15,508	2,877	18,385

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

The Brendoncare Foundation

Balance sheets

Company no. 01791733

As at 31 March 2025

		The group and charity	
		2025	2024
		£'000	£'000
			Restated
Fixed assets:			
Tangible assets	10	44,647	45,264
		44,647	45,264
Current assets:			
Debtors due within one year	14	1,690	2,096
Short Term Deposits		2,000	2,000
Cash at bank and in hand		2,622	1,779
		6,312	5,875
Liabilities:			
Creditors: amounts falling due within one year	15	(5,409)	(4,900)
		903	975
Net current assets			
		45,550	46,239
Total assets less current liabilities			
Creditors: amounts falling due after one year	16	(27,253)	(27,913)
Interest rate swap asset/(liability)	17	(31)	59
		18,266	18,385
Total net assets			
	20a	3,096	2,877
Restricted income funds		16,097	16,538
Unrestricted income funds:		(927)	(1,030)
Designated funds			
General funds			
Total unrestricted funds		15,170	15,508
Total funds			
		18,266	18,385

The 2024 figures have been restated to reflect the fact that the transfer of the business of Brendoncare Clubs to Brendoncare Foundation was completed on 31st March 2024. As such, the group and charity balances at that date are the same.

Approved by the Trustees on 17th November 2025 and signed on their behalf by

Philip Dowson
Chairman

Fay Gillot
Trustee

Consolidated statement of cash flows

For the year ended 31 March 2025

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

	2025		2024	
	£'000	£'000	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(119)		(2,139)	
Fixed assets Impairments	34		-	
Depreciation charges	1,699		1,616	
Lease finance charges	797		665	
Change in valuation of swaps	90		190	
Decrease/(increase) in debtors	406		(486)	
Increase in creditors	453		3	
Net cash provided by / (used in) operating activities		3,360		(151)
Cash flows from investing activities:				
Purchase of fixed assets	(814)		(264)	
Loss/(Gain) on sale of fixed assets	-		4	
Assets under construction	(304)		(498)	
Net cash provided by/(used in) investing activities		(1,118)		(758)
Cash flows from financing activities:				
Finance lease payments	(735)		(653)	
Repayments of borrowing	(664)		(2,446)	
Net cash (used in) financing activities		(1,399)		(3,099)
Change in cash and cash equivalents in the year		843		(4,008)
Cash and cash equivalents at the beginning of the year		3,779		7,787
Cash and cash equivalents at the end of the year		4,622		3,779

Analysis of cash and cash equivalents and of net debt

	At 1 April 2024 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 March 2025 £'000
Cash at bank and in hand	3,779	843	-	4,622
Total cash and cash equivalents	3,779	843	-	4,622
Loans falling due within one year	658	(664)	723	717
Loans falling due after more than one year	9,172	-	(563)	8,609
Finance lease falling due after more than one year	18,487	(735)	734	18,486
Total borrowings	28,317	(1,399)	894	27,812
Net debt	(24,538)	2,242	(894)	(23,190)

1 Accounting policies

a) Statutory information

The Brendoncare Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Malthouse, Victoria Road, Winchester, SO23 7DU.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned but dormant subsidiaries Brendoncare Clubs and Brendoncare Enterprises Limited. As both subsidiaries were dormant during the year there are no transactions and balances between the charitable company and its subsidiaries and there are no balances between the entities to be disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period as documented in the report of the Trustees.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. With improved performance cash levels have increased in the year and have continued to do so post year-end and the Board and senior management have established a clear strategy for the future of the organisation which will restore both cash and reserves levels through the sale of non-operational assets and returning the operating model of the organisation to profit. The trustees have carefully examined future financial projections and a range of scenarios in reaching this conclusion. Further detail on the trustees' assessment of going concern is included in the trustees' report.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from charitable activities comprises of income from the provision of health and social care to older people. For the care homes, it is stated after deducting charitable support by the Foundation, as the latter is regarded as a sales discount, under generally accepted accounting practice, rather than grant expenditure.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations comprise charitable grants received from trusts and statutory bodies, together with legacies and donations mainly from individuals.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Interest receivable

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

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Specifically, they include the net book value of fixed assets less associated borrowing. These assets are primarily used in the business and, as such, are not easily translated into liquid funds.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs that are not directly attributable to support, governance or activities for generating voluntary income, are allocated based on a proportion of staff costs.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on an estimate of staff time attributable to each activity.

1 Accounting policies (continued)

j) Interest payable

Interest is accrued and included in the consolidated statement of income and expenditure of the period for which it is receivable or payable. Interest payable includes the accrued interest differentials on interest rate swaps. The swaps are marked to market, with any valuation gains and losses accounted for through the statement of financial activities and are measured at fair value.

k) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are with the group are capitalised in the balance sheet and are depreciated over the lease term. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of financial activities so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental charges payable under operating leases are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Fixed assets are stated at the lower of their cost, being the purchase price together with any incidental expenses of acquisition, and their recoverable amount.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold land	Unlimited
Freehold buildings	50 years
Leasehold buildings	50 years
Building improvements	25 - 50 years
Furniture, fittings and equipment	5 - 8 years
Leasehold improvements	Over the remaining lease
Plant and machinery	25 years
Communications equipment	8 years
Computer equipment and software	3 years
Assets under construction	Not depreciated

Grants for fixed assets are recognised in the financial statements as incoming resources. If the criteria for certainty and measurability are not met, grants are treated as deferred income and disclosed as a liability in the balance sheet.

m) 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.

n) Cash at bank and in hand and current asset investments

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.

1 Accounting policies (continued)

o) 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.

p) Financial instruments

The Charity has both financial assets and financial liabilities of a kind that qualify as basic financial instruments and other financial instruments in the form of interest rate swaps and finance leases.

Interest rate swaps are held to manage the risks arising from fluctuations in interest rates

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

Brendoncare enrolls all employees, who meet the criteria, into the auto-enrolment defined contribution pension scheme after two months' service.

The group also operates another defined contribution pension scheme for longer serving staff which is closed to new entrants. The scheme is stakeholder compatible.

r) Sinking funds

Sinking funds comprise the contributions, together with interest less attributable expenditure, made upon the surrender of leases in the Charity's housing developments. These contributions are for the cost of renewals, replacements, improvements and other items of capital expenditure not covered by service charges. These funds are classified as Restricted Funds in these accounts as they are held on trust for tenants current and future.

s) Short Term Deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2025 Total £'000	Unrestricted £'000	Restricted £'000	2024 Total £'000
Gifts	52	79	131	96	115	211
Sub-total	52	79	131	96	115	211

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2025 Total £'000	Unrestricted £'000	Restricted £'000	2024 Total £'000
Care Homes and Housing with Care						
Care fee income	27,051	-	27,051	24,045	-	24,045
Sinking fund income	-	269	269	-	186	186
Other ancillary services	197	-	197	217	-	217
Sub-total	27,248	269	27,517	24,262	186	24,448
Friendship and well-being clubs						
Club subscriptions	74	-	74	70	-	70
Other ancillary services	15	-	15	17	-	17
Sub-total	89	-	89	87	-	87
Total income from charitable activities	27,337	269	27,606	24,349	186	24,535

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2025

4a Analysis of expenditure (current year)

	Charitable activities					
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000	Governance £'000	2025 Total £'000	2024 Total £'000
Staff costs	125	15,070	479	145	15,819	14,383
Staff support costs	67	1,940	217	-	2,224	2,259
Agency and consultancy	-	1,369	-	-	1,369	1,902
Total staff costs (note 6)	192	18,379	696	145	19,412	18,544
Repairs & maintenance	-	1,051	5	-	1,056	1,232
Food and household goods	-	958	17	-	975	954
Utilities	-	1,036	9	-	1,045	932
Interest payable	-	586	-	-	586	520
Finance charges on leases	-	797	-	-	797	609
Training costs	1	100	1	-	102	123
Stationery and communication costs	-	51	1	-	52	57
Transport and travel costs	-	19	25	-	44	48
Chemist and medical supplies (PPE)	-	159	-	-	159	160
Insurance	-	141	2	-	143	143
Regulatory costs	-	50	-	-	50	59
Activity costs	-	60	34	-	94	91
Staff recruitment	-	6	-	-	6	46
Legal and professional	-	33	12	-	45	65
Marketing costs	-	24	-	-	24	13
Bad debt provision	-	95	-	-	95	224
Other costs	9	178	47	-	234	225
Disposal/impairment of fixed assets	-	5	-	-	5	5
Audit and accountancy	-	-	-	67	67	64
	202	23,728	849	212	24,991	24,114
Premises and equipment support costs	-	1,062	125	-	1,187	1,090
Depreciation	-	1,539	7	-	1,546	1,474
Depreciation in support costs	-	137	16	-	153	142
	202	26,466	997	212	27,877	26,820
Governance costs	-	200	12	(212)	-	-
Total expenditure 2025	202	26,666	1,009	-	27,877	
Total expenditure 2024	157	25,705	958			26,820

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2025

4b Analysis of expenditure (prior year)

	Charitable activities			Governance £'000	2025 Total £'000
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000		
Staff costs	79	13,732	420	152	14,383
Staff support costs	68	1,971	220	-	2,259
Agency and consultancy	1	1,900	1	-	1,902
Total staff costs (note 6)	148	17,603	641	152	18,544
Repairs & maintenance	-	1,221	11	-	1,232
Food and household goods	-	936	18	-	954
Utilities	-	928	4	-	932
Interest payable	-	520	-	-	520
Training costs	-	609	-	-	609
Stationery and communication costs	-	122	1	-	123
Transport and travel costs	1	55	1	-	57
Chemist and medical supplies (PPE)	1	19	28	-	48
Insurance	-	160	-	-	160
Regulatory costs	-	143	-	-	143
Activity costs	-	59	-	-	59
Staff recruitment	-	45	46	-	91
Legal and professional	-	46	-	-	46
Marketing costs	-	65	-	-	65
Bad debt provision	1	12	-	-	13
Other costs	-	224	-	-	224
Disposal/impairment of fixed assets	6	158	61	-	225
Audit and accountancy	-	5	-	64	69
	157	22,930	811	216	24,114
Premises and equipment support costs	-	978	112	-	1,090
Depreciation	-	1,465	9	-	1,474
Depreciation in support costs	-	128	14	-	142
	-	1,593	23	-	1,616
Governance costs	-	208	8	(216)	-
Total expenditure 2023	157	25,709	954	-	26,820

Notes to the financial statements

For the year ended 31 March 2025

5 Net income for the year

This is stated after charging/(crediting):

	2025	2024
	£'000	£'000
Depreciation	1,698	1,616
Impairment of assets	34	-
Loss on disposal of fixed assets	5	4
Interest payable	586	655
Finance lease charges	797	665
Operating lease rentals:		
Property	5	5
Other	1	3
Auditor's remuneration (excluding VAT):		
Audit	35	41
Other services (23/24 audit)	21	-

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
	£'000	£'000
Salaries and wages	16,022	14,973
Redundancy and termination costs paid in this year	142	59
Social security costs	1,559	1,246
Pension contributions	301	363
Agency staff costs	1,388	1,903
	19,412	18,544

The company operates a defined contribution pension scheme. At the year end, payments totalling £50,000 (2024: £47,000) were outstanding and included within other creditors.

During the year, redundancy costs amounted to £142,000 (2024: £59,000), comprising £70,000 paid and £72,000 accrued at the year end.

The key management personnel of the charitable company comprise the Trustees and the Management Team as listed on page 3. The total employee benefits including national insurance and pension contributions of the key management personnel were £604,000 (2024: £574,000).

Indemnity insurance is maintained to protect the Charity and to indemnify Trustees, Officers and Staff against the consequences of any neglect or default on their part. The cost involved is £12,700 (2024: £12,700). No Charity Trustee received any remuneration or payment for professional or other services supplied to the Charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,304 incurred by three members relating to attendance at meetings of the Trustees (2024: £491).

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose remuneration, including benefits but excluding pension contributions, fell within the following bands (over £60,000) was:

	2025 No.	2024 No.
£130,000 - £140,000	1	-
£110,000 - £120,000	-	1
£90,000 - £100,000	2	2
£70,000 - £80,000	2	6
£60,000 - £70,000	7	1

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2025 No.	2024 No.
Raising funds	3	3
Care homes	578	547
Friendship and well-being clubs	11	13
Volunteering	4	4
Support and governance	44	47
	640	614

8 Related party transactions

The related parties of The Brendoncare Foundation include the Trustees. Trustees made no restricted donations during the year (2024 :nil). During the year, one trustee undertook pro bono consultancy work with the Charity providing advice during a central office restructure. The services were provided for two days a week between January 2025 and March 2025. The services were in the form of advice and no executive function was undertaken.

9 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Brendoncare Enterprises Limited is not exempt, however it would gift aid any available profits to the parent Charity. Brendoncare Enterprises remains dormant.

10 Tangible fixed assets

The group

	Freehold property	Long leasehold	Assets under construction	Fixtures, fittings and equipment and leasehold improvements	Computer equipment & software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At the start of the year	28,000	18,460	419	9,188	1,368	57,435
Additions in year	212	-	304	279	324	1,119
Impairment of assets	-	-	(34)	-	-	(34)
Disposals in year	-	-	-	(15)	(24)	(39)
At the end of the year	28,212	18,460	689	9,452	1,668	58,481
Depreciation						
At the start of the year	5,706	223	-	5,197	1,045	12,171
Charge for the year	471	510	-	579	138	1,698
Eliminated on disposal	-	-	-	(11)	(24)	(35)
At the end of the year	6,177	733	-	5,765	1,159	13,834
Net book value						
At the end of the year	22,035	17,727	689	3,687	509	44,647
At the start of the year	22,294	18,237	419	3,991	323	45,264

Land with a value of £4,780,000 (2024: 4,780,000) is included within freehold property and not depreciated; Brendoncare commission valuation reports periodically which indicate there is negligible risk of impairment.

Long leasehold property consists of Otterbourne Hill Mews 7 apartments sold to The Edward Gostling Foundation and leased back to Brendoncare under a finance lease arrangement and the St Giles View care home which is subject to a 35 year finance lease arrangement with Octopus Real Estate.

All of the above assets are used for charitable purposes. Three non-operational freehold property assets are currently being sold. All three have received satisfactory offers but remain unsold at the date of signing these accounts. Further details are provided in note 24.

The closing balance of assets under construction relates to the costs incurred for Alton Kitchen refurbishment project

11 Subsidiary undertakings

The Brendoncare Foundation controls the following charitable company, limited by guarantee, by virtue of being the sole member:

	Brendoncare Clubs					
	Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total
	£'000	£'000	£'000	£'000 Restated	£'000 Restated	£'000 Restated
Income						
Donations and legacies	-	-	-	342	63	405
Charitable activities	-	-	-	87	-	87
Total income	-	-	-	429	63	492
Expenditure						
Raising funds	-	-	-	68	-	68
Charitable activities	-	-	-	391	93	484
Total expenditure	-	-	-	459	93	552
Transfer between funds	-	-	-	-	-	-
Net (expenditure)/income for the year	-	-	-	(30)	(30)	(60)
Reconciliation of funds:						
Total funds brought forward	-	-	-	93	76	169
Transfer of business to Brendoncare Foundation	-	-	-	(63)	(46)	(109)
Total funds carried forward	-	-	-	-	-	-
Funds					2025 £'000	2024 £'000 Restated
Assets					-	-
Liabilities					-	-
Net Assets					-	-

As described in note 12 below, the business of Brendoncare Clubs was transferred to Brendoncare Foundation on 31st March 2024 and not 1st April 2024 as previously stated. As a result, the 2024 numbers in these accounts have been restated to reflect that.

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2025

12 Brendoncare Clubs - prior year restatement

The business of Brendoncare Clubs was transferred to Brendoncare Foundation on 31st March 2024 and not 1st April 2024 as previously stated. The comparative figures in these accounts have therefore been restated to reflect this. Specifically, the group and charity balance sheets as at 31st March 2024 are the same and the disclosure in notes 13 to 19 reflect this. The overall impact of this restatement is summarised below. There is no change to the results or assets and liabilities of the group however those assets and liabilities and retained funds that were previously identified as Brendoncare Clubs are now included in the balance sheet and funds of the Charity.

Reserves Position of Brendoncare Clubs	Unrestricted £'000	Restricted £'000	Total £'000
Total Funds at 31 March 2024 as previously stated	109	-	109
Total Funds at 31 March 2024 as restated	-	-	-
Impact on Income and Expenditure in Brendoncare Clubs in 2024			
Movement in funds as previously reported	(30)	(30)	(60)
Adjustment for income designation	-	-	-
Net income as restated	(30)	(30)	(60)

13 Parent Charity (The Brendoncare Foundation)

The Brendoncare Foundation's gross income and the results for the year are disclosed as follows:

	2025 £'000	2024 £'000
Gross income	27,838	24,667
Result for the year	(140)	(2,078)

14 Debtors

	The group and charity	
	2025 £'000	2024 £'000 Restated
Trade debtors	916	1,412
Other debtors	185	1
Prepayments and accrued income	589	683
	1,690	2,096

15 Creditors: amounts falling due within one year

	The group and charity	
	2025 £'000	2024 £'000 Restated
Bank loans	717	658
Trade creditors	1,351	1,303
Taxation and social security	285	285
Other creditors	1,263	966
Accruals and deferred income	1,793	1,688
	5,409	4,900

16 Creditors: amounts falling due after one year

	The group and charity	
	2025 £'000	2024 £'000 Restated
Amount due between two and five years:		
Bank loans	2,735	2,758
Deferred income	18	18
	2,753	2,776
Amounts due after five years:		
Bank loans	5,824	6,365
Loans from NHS	50	50
Amounts due under finance leases	18,486	18,487
Deferred income	171	176
	27,284	27,854
Secured creditors included in Notes 15 and 16	9,276	9,781

Amounts due under finance leases

Included in creditors are amounts due under finance leases in accordance with UK GAAP. Under finance lease accounting, due to the length of the lease and the present value of future lease payments, an asset is created (see note 10) and an equivalent liability. The asset and liability reduce over the course of the lease representing the useful economic value of the property. Rental payments continue to be paid as per the lease. The most significant lease is the St Giles View care home which is leased for 35 years from 2023.

Notes to the financial statements

For the year ended 31 March 2025

16 Creditors: amounts falling due after one year (continued)

Bank loans

Each of the bank loans is secured by a first legal charge over one or more specified properties.

The loans are on a mix of fixed and variable rate terms and are repayable by instalments over the period 2014 to 2041. Sterling interest rate swaps entered into for the period 2020 to 2026 effectively convert part of the debt to fixed rate terms, as follows:

In £'000	2024/25	2023/24
Principal	£6,840	£4,800
Fixed interest rate	4.31%	2.40%

In £'000	Expires within 1-5 years	Notional principal £6,840	Fair value asset	Fair value liability -£31
Pay fixed for variable (3 month SONIA)				

Loans from the National Health Service

The Old Parsonage, Otterbourne

The loan agreement with Winchester Health Authority in respect of its loan of £50,000 stipulates that, in the event of the Otterbourne property being sold, or ceasing to be used as a Brendoncare home, the loan becomes repayable. The loan is non-interest bearing.

17 Interest rate swap liability

	The Group and charity	
	2025 £'000	2024 £'000
Opening balance	(59)	(249)
Fair value movement	90	190
	31	(59)

The interest rate swaps liability reflects the movement in the fair value of the interest rate swaps.

18 Deferred income

Deferred income comprises fee income paid in advance and deferred gain on the disposal of the apartments at Otterbourne Hill.

	The Group and charity	
	2025 £'000	2024 £'000
Balance at the beginning of the year	222	221
Amount released to income in the year	(28)	(23)
Amount deferred in the year	41	24
Balance at the end of the year	235	222

Notes to the financial statements

For the year ended 31 March 2025

19a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	44,647	-	44,647
Net current assets	(927)	(1,266)	3,096	903
Long term liabilities	-	(27,284)	-	(27,284)
Net assets at the end of the year	(927)	16,097	3,096	18,266

The balance of designated funds includes the interest rate swap reserve within long term liabilities.

19b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	45,264	-	45,264
Net current assets	(1,030)	(872)	2,877	975
Long term liabilities	-	(27,854)	-	(27,854)
Net assets at the end of the year	(1,030)	16,538	2,877	18,385

20a Movements in funds (current year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers *	At the end of the year £'000
Restricted funds:					
Care Homes donations	86	44.00	(19)	-	111
Brendoncare Clubs	-	35.00	(29)	-	6
Sinking funds	2,791	269.00	(51)	(30)	2,979
Total restricted funds	2,877	348	(99)	(30)	3,096
Unrestricted funds:					
Designated funds:					
Interest rate swap reserve	(459)	79	-	(90)	(470)
Fixed Assets less associated borrowing	16,997	-	-	(430)	16,567
Total designated funds	16,538	79	-	(520)	16,097
General funds	(1,030)	27,499	(27,946)	550	(927)
Total unrestricted funds	15,508	27,578	(27,946)	30	15,170
Total funds	18,385	27,926	(28,045)	-	18,266

* Transfers between designated funds and general funds represent the movements during the year in the net book value of fixed assets and associated borrowings against those assets. Principally these movements, in year, are represented by depreciation of assets and capital repayments of borrowing. The net movement has led to a reduction in the net book value of fixed assets less associated borrowing and therefore greater available general funds.

20b Movements in funds (prior year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Alton	42	-	-	(42)	-
Tooting	-	-	-	-	-
East Grinstead	812	-	-	(812)	-
Knightwood	351	-	-	(351)	-
Otterbourne Hill	1,293	-	-	(1,293)	-
Other funds	211	-	-	(211)	-
Care Homes donations	-	52	(13)	47	86
Brendoncare Clubs	-	63	(88)	25	-
Sinking funds	3,482	186	(51)	(826)	2,791
Total restricted funds	6,191	301	(152)	(3,463)	2,877
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	948	-	-	(948)	-
Interest rate swap reserve	(511)	-	242	(190)	(459)
Operations fund	11,016	-	-	(11,016)	-
Fixed Assets less associated borrowing	-	-	-	16,997	16,997
Total designated funds	11,453	-	242	4,843	16,538
General funds	2,880	24,571	(27,101)	(1,380)	(1,030)
Total unrestricted funds	14,333	24,571	(26,859)	3,463	15,508
Total funds	20,524	24,872	(27,011)	-	18,385

20b Movements in funds (prior year) (continued)

Purposes of restricted funds

Restricted funds are those received by Brendoncare for a specific purpose as determined by the donor. Many of these have been used to support the building of care homes. Once these funds have been spent, generally speaking, the restriction is met and the funds are moved into the Fixed Assets designated fund. Unspent restricted funds remain in restricted funds. A review of restricted funds was undertaken and found that the purposes of the funding were to support the building of various care homes. Therefore, the restriction was extinguished once the funds were spent. As a result, the decision was made to release these restricted funds into the designated capital fund and the general fund, as appropriate.

Purposes of designated funds

Designated funds include a fund equivalent to the net book value of fixed assets (less associated borrowing) as these funds are not freely available for the general purposes of the charity or group.

General funds

The balance of this fund on 31 March 2025 stood at (£0.9m) (2024: (£1.03m)). It comprises those funds that are freely available for the general purposes of the charity/group. Our target level of reserves in our reserves policy is £3.2m. Brendoncare is currently in the process of selling non-operational assets that are currently included in designated funds. The sales of these assets is expected to generate £4.1m into general funds. Given an upturn in financial operating performance in 2025/26 we expect that general funds will meet our target during 2026.

Other funds

Interest rate swap reserve

The balance of this fund on 31 March 2025 stood at a deficit of £471,000 (2024: deficit £459,000). It comprises the fair value movement in the interest rate swaps, and the charge representing the difference in the variable interest rate on the loans compared with the fixed rate achieved through the swap.

Sinking Funds

Included in Restricted Funds (previously in designated funds) are those balances that are received from owners of the leasehold flats at some of our care homes when they sell their property. The funds are to be put towards the cost of replacing, reinstating or improving the mews flats estate and have therefore been moved to restricted funds.

Other Funds

During the year to 31 March 2025, Brendoncare Clubs received a grant of £23,000 (2024: £47,000) from the National Lottery Community Fund towards the Community Support Services. This is included within other funds in the prior year.

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Less than one year	5	5	-	3
One to five years	25	20	-	-
Over five years	15	25	-	-
	45	50	-	3

22 Capital commitments

At the balance sheet date, the group had zero capital commitments (2024 £nil)

23 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

24 Post Balance Sheet Events

The charity owns certain freehold properties that it regards as non-operational in that none of them are now generating revenue towards the charity's charitable objects. As such, it has been agreed to sell these properties to reinvest the proceeds into operational activity and to help achieve the Charity's growth strategy.

As at the date of signing these accounts, the Charity was in negotiations with potential buyers for these properties which have a current net book value of £2.2m. At this stage none of the sales is certain and therefore the assets remain held at book value. We expect the sale of non-operational assets to complete within 12 to 18 months of signing these accounts.

THE BRENDONCARE FOUNDATION

England & Wales - Charity number 326508

Accounts

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2024



The Brendoncare Foundation

The Old Malthouse
Victoria Road
Winchester
SO23 7DU

Tel: 01962 852133

Email: enquiries@brendoncare.org.uk
www.brendoncare.org.uk

Company no: 01791733

Charity no: 326508

The Brendoncare Foundation

Contents

For the year ended 31 March 2024

Contents	Pages
Reference and administrative details	2
Report of the Trustees	4
Independent auditor's report	19
Consolidated statement of financial activities (incorporating an income and expenditure account)	22
Balance sheets	23
Consolidated statement of cash flows	24
Notes to the financial statements	25

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2024

Company number	1791733																										
Country of incorporation:	England and Wales																										
Charity number	326508																										
Country of registration:	England and Wales																										
Registered office and operational address	The Old Malthouse Victoria Road Winchester SO23 7DU																										
Patron	Her Royal Highness The Duchess of Edinburgh GCVO																										
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: <table><tr><td>Philip Dowson</td><td>Chair of Board</td></tr><tr><td>Katherine Christie</td><td></td></tr><tr><td>Lee-Ann Fenge</td><td></td></tr><tr><td>Peter Fellows</td><td>Appointed 29 November 2024</td></tr><tr><td>Fay Gillott</td><td>Chair of Development Committee</td></tr><tr><td>Sarah Hobhouse</td><td>Chair of Care and Clinical Governance Committee</td></tr><tr><td>Ian Jacobs</td><td></td></tr><tr><td>David Parfitt</td><td></td></tr><tr><td>Helen Roberts</td><td>Resigned 30 August 2024</td></tr><tr><td>Phillip Sykes</td><td>Chair of Finance & Audit Committee</td></tr><tr><td>Gordon Tillet</td><td>Chair of People Committee</td></tr><tr><td>Richard Turner</td><td></td></tr><tr><td>Jane Williams</td><td></td></tr></table>	Philip Dowson	Chair of Board	Katherine Christie		Lee-Ann Fenge		Peter Fellows	Appointed 29 November 2024	Fay Gillott	Chair of Development Committee	Sarah Hobhouse	Chair of Care and Clinical Governance Committee	Ian Jacobs		David Parfitt		Helen Roberts	Resigned 30 August 2024	Phillip Sykes	Chair of Finance & Audit Committee	Gordon Tillet	Chair of People Committee	Richard Turner		Jane Williams	
Philip Dowson	Chair of Board																										
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Fay Gillott	Chair of Development Committee																										
Sarah Hobhouse	Chair of Care and Clinical Governance Committee																										
Ian Jacobs																											
David Parfitt																											
Helen Roberts	Resigned 30 August 2024																										
Phillip Sykes	Chair of Finance & Audit Committee																										
Gordon Tillet	Chair of People Committee																										
Richard Turner																											
Jane Williams																											
Vice Patrons	<table><tr><td>Nick Bosanquet</td><td>Sir Anthony Newman-Taylor</td></tr><tr><td>Janet Budd</td><td>Lady Elisabeth Ribeiro</td></tr><tr><td>Marie-Therese Hill</td><td>Joe MacHale</td></tr><tr><td>The Viscount Lifford</td><td>Simon Theobalds</td></tr><tr><td>Peter Willan</td><td>Harvey White (Chair)</td></tr><tr><td>Jilly Morton</td><td></td></tr></table>	Nick Bosanquet	Sir Anthony Newman-Taylor	Janet Budd	Lady Elisabeth Ribeiro	Marie-Therese Hill	Joe MacHale	The Viscount Lifford	Simon Theobalds	Peter Willan	Harvey White (Chair)	Jilly Morton															
Nick Bosanquet	Sir Anthony Newman-Taylor																										
Janet Budd	Lady Elisabeth Ribeiro																										
Marie-Therese Hill	Joe MacHale																										
The Viscount Lifford	Simon Theobalds																										
Peter Willan	Harvey White (Chair)																										
Jilly Morton																											
Secretary	Marianne Wanstall (resigned 30 th September 2024) Gareth Morgan (appointed 30 th September 2024)																										
Bankers	Barclays Bank PLC 50 Jewry Street Winchester SO23 8TN																										

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2024

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
London
EC1Y 0TG

Management Team

Chief Executive	Marianne Wanstall until 30 th September 2024; Michael Crutchley from 1 st January 2025
Chief Financial Officer	Gareth Morgan from 21 st February 2024
Director of Care & Wellbeing	Michael Crutchley from 17 th April 2023 until 31 st December 2024
Director of Charitable Impact and Community Services	Samantha Agnew
Director of Brand and Customer Experience	Emma Digance
Director of People and Culture	Aileen Ohlson until 30 th August 2024

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

The Trustees present their report and the audited financial statements for the year ending 31 March 2024.

Reference and administrative information set out on pages two and three forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chief Executive's Summary

As the newly appointed Chief Executive, it is a privilege and honour to introduce the annual financial report. Brendoncare has an established vision and purpose, which drive us to deliver innovative and outstanding services that support and care for people in their older age. We are proud to continue to deliver on our objectives, making a tangible difference to the quality of lives of those we serve.

Our 40th anniversary this year represents an outstanding measure of our success. It has allowed us to celebrate and reflect on our progress over the past four decades, supporting older people in our care homes, extra care accommodation and in the communities where we work. Reflecting has also provided an opportunity for us to look to the future with a new strategy for our fifth decade, carefully considering the changing needs of society including demographics, increasing care and support requirements, housing, new technologies and workforce.

Strong commercial governance is a foundation of the strategy, ensuring that our operating model delivers outstanding services, while also generating a surplus to enable future development. This is fundamental in consideration of a difficult year with a loss of 2.1m, although we are confident with the careful management of our resources, and a clear and robust strategy we will transition to surplus and growth and Brendoncare will thrive.

This year, we saw the opening of Brendoncare St Giles View, our first care home in the city of Winchester where Brendoncare was founded 40 years ago, to offer dedicated dementia care. At the same time, we bade a sad farewell to Brendoncare Park Road, our first ever care home. Its residents and those from another Winchester care home relocated to their beautiful new surroundings at St Giles View.

In the community, we have expanded and diversified our in-person and online clubs, offering an even wider range of activities to appeal to older people, helping to alleviate isolation and loneliness. Our digital champions and volunteers have worked hard to help our members become more tech-savvy in this online age.

On 1st April 2024 we also became one charity with the merger of The Brendoncare Foundation and Brendoncare Clubs providing simplicity to our structure and clarity in terms of our shared values and strategic priorities.

We continue to invest in our colleagues across Brendoncare. We have delivered enhancements to terms and conditions for our care colleagues during the year which has helped us to continue to reduce our reliance on agency staff and ensure that our colleagues get fair pay for the incredible work they do.

I would like to take this opportunity to thank all those who contribute to the rich life of Brendoncare including colleagues, volunteers, members, residents, and relatives. On behalf of Brendoncare, I would like to extend our heartfelt thanks and gratitude to all of them.

Michael Crutchley
Chief Executive

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

Objectives and Activities

Our vision and purpose support our commitment to older people.

Our vision: *To transform the culture of ageing to create a society that is kind and values age.*

Our purpose: *We empower people to live well through the provision of age-friendly places and services.*

Our values:

We are kind.

We are empowering.

We are dedicated.

We are forward thinking.

Strategic Report

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

In preparing this report, the Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 applicable to large companies.

Achievements and Charitable Objectives

40th Anniversary

To mark our 40th anniversary, we celebrated musically. The result was our first ever charity single, a cover version of Stevie Wonder's classic song "I Just Called to Say I Love You", which was a hit 40 years ago. Performed by residents, community members, colleagues, and volunteers, we chose it because its message perfectly encapsulates Brendoncare's vital work connecting with older people.

We also launched a major project, 40 Faces of Brendoncare, highlighting the people from across all areas of our work who have, over the past 40 years, helped to make us such a dynamic, caring organisation.

We will end our anniversary year with the burial of a time capsule at Brendoncare Otterbourne Hill. It will contain photographs, stories and mementoes gathered during our special year of activities.

Charitable Impact

According to Age UK, there are currently 1.4 million older people in the UK who are often very lonely. This can have a devastating impact on people's health and wellbeing. One way to alleviate this is to enable digital connections. Research by Lloyds Bank has revealed that ten million people in the UK lack basic skills needed for the rapidly changing digital world.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

Alongside the provision of vital care services in our homes, Brendoncare is helping to alleviate loneliness in local communities across Hampshire and Dorset in a variety of ways.

- We now run 68 community clubs supporting 910 people. Brendoncare and its generous supporters cover 85% of the costs.
- A total of 150 people received free membership through Brendoncare's Access Fund.
- Our member survey showed 93% of club members have made new friends with 77% of them connecting with friends outside the clubs.
- 12 peer-led exercise champions helped to deliver gentle seated exercise at our clubs.
- 432 people benefited from exercise at 48 of our clubs, activities ranging from Zumba and line-dancing to tai chi and indoor curling.
- Two Brendoncare community clubs offer regular dementia friendly activities in a group setting – Singing for the Brain and Memory Lane Café.
- 168 members received telephone support, a total of 2397 calls, with 80 receiving regular calls from our team of volunteers.
- 461 members attended Brendoncare's digital champion's support sessions, reducing the digital divide and empowering members to learn new skills.
- 668 members attended 93 online club sessions and events.

In the future, we will strengthen the links between our homes and our community-based services with the aim of increasing our charitable impact and reach still further.

Care for Life

Our Care for Life commitment is one of Brendoncare's core principles. It gives security and peace of mind to our care home residents and their families. When we welcome a permanent resident into one of our homes, Care for Life means that no one will need to leave due to a lack of funds. In 2023/24, we supported 114 residents to stay with us when their personal funding ran out.

Care and Wellbeing

Initiatives launched during the year included:

- Food Forums in our care homes, designed to enhance the catering provision in our homes, including the delivery of modified diets for all our residents.
- Launch of the RCNi learning platform for nurses.
- Clinical skills passport launched for nurses.
- Funding secured for Perfect Days activities for residents.
- Roll-out of internal compliance in line with new regulatory framework.
- The opening of a serenity space, particularly for those living with dementia in our Froxfield care home, which we hope to roll out in other locations.
- Embedding acoustic monitoring in our Otterbourne Hill care home, with almost half of residents reporting better sleep.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

Operating Review

Brendoncare's principal activities and objectives are:

- Management of our seven care homes in the south of England to provide quality care in residential settings. In the past year, 520 people received care.
- Managing and providing financial support to our community services, including our online and face-to-face volunteer-led community clubs, digital and telephone support. All these services have helped to reduce the impact of loneliness and social isolation for 910 older people.
- Management of five extra care (assisted) housing services where we have supported people in privately owned or rented apartments and bungalows.
- The provision of charitable financial support through our 'Care for Life' commitment to our care home residents.

Care Homes

The major highlight was the opening of Brendoncare St Giles View in September 2023. This, our first care home in the city of Winchester that offers dedicated dementia care, combines the latest technology with stylish living in a safe and secure environment. Residents from Brendoncare Park Road and another Winchester care home became its first occupants.

We were delighted that our Patron, HRH The Duchess of Edinburgh, agreed to officially open St Giles View in October. During her visit she unveiled a commemorative plaque, and spent time meeting our residents, families, colleagues, and volunteers.

The opening of St Giles View resulted in the closure of Brendoncare Park Road. Park Road is now being marketed for sale, with the proceeds from the sale of our former care homes being directed towards future developments in line with our strategy.

We have continued to make progress with the rolling out of acoustic monitoring, which is now fully operational at Brendoncare Otterbourne Hill. A total of 47% of residents at Otterbourne Hill said they slept better because of having acoustic monitoring. We look forward to enabling the technology at St Giles View soon.

Wellbeing is a crucial part of our work in our care homes. One of the new initiatives launched during the year is serenity spaces. The pilot project at Brendoncare Froxfield aids relaxation and has a positive impact on wellbeing for people living with dementia and other cognitive impairments.

Extra Care Housing

Our five extra care housing developments enable older people to live in their own home but with the knowledge that care and support is always available to them.

Mary Rose Mews at Alton, Knightwood Mews and Crescent, Stildon Mews and Old Parsonage Court are all developments where older people can purchase their own apartment or bungalow, while the apartments at Otterbourne Mews are available for rent to couples where one of the partners is living with dementia.

Old Parsonage Court

After careful consideration, we are selling the site of the Old Parsonage in Otterbourne on the open market. The original plans, when Otterbourne Hill opened, was to redevelop the old home into leasehold apartments alongside those in Old Parsonage Court.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

However, delays due to Covid, planning requirement changes and a sharp increase in redevelopment costs resulted in the Trustees deciding the sale of the site was in Brendoncare's best interests enabling us to invest the sale proceeds in new sites.

We have informed the residents of nearby Old Parsonage Court, their relatives and colleagues of our intention and the progress being made on the sale as well as how this will impact them.

Community Services

We now run 68 community clubs supporting 910 people. Brendoncare and its generous supporters cover 85% of the costs. In 2023/24, paying members contributed £14.85 per month to use our services as often as they wish, while our Access Fund enables us to fund membership for those on means-tested benefits. Free membership also extends to relatives of Brendoncare residents, carers, people on respite care and all our volunteers.

The Brendoncare Foundation supports Brendoncare Clubs with the provision of management services at a cost of £287k (2023: £270k). This relates to colleague time, including fundraising, marketing, HR and finance support and advice.

This year, fundraising for Brendoncare Clubs resulted in income of £65k (2023: £173k).

We continue seeking out new partnerships with other organisations to ensure those who need us the most can find us and benefit from the best possible support. Our members are still enjoying the benefits of our successful partnership with University Hospital Southampton on a research project that provided training for 12 of our volunteers to deliver peer-led exercise, which is now fully embedded into our ongoing activity.

Among the highlights this year has been the 10th birthday of the Good Companion Social Club in Portsmouth.

We have also extended our digital support services with Digital Champion volunteers now on hand to help members with any issues they have with getting online. Over 400 people attended digital support sessions during the year.

Volunteering

Volunteers are key members of Brendoncare's team. We value every individual choosing to give of, and share, their time, and skills so generously with us. We are proud to be holders of the Investing in Volunteers award, given in recognition of Brendoncare's commitment to volunteering.

We currently have:

- 257 Volunteers
- 201 in our Community Clubs and Community Services. Of these, 35 are Telephone Support Service Volunteers and 5 are Digital Champions.
- 56 volunteers in our Care Homes.
- Our trustees are also volunteers. The Foundation has 12 trustees.

Colleagues

Our colleagues are the heart of the high-quality care in our care homes, extra care housing and community services.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

As an equal opportunities' employer, Brendoncare treats each employee, volunteer, or job applicant fairly, basing every decision solely on the abilities and aptitudes of the individual concerned in relation to the role or training opportunity.

We now care for people with increasingly complex nursing needs. Care of our residents is also becoming more tech centred with investment in acoustic monitoring and digital care planning. To meet these needs, we have invested in our workforce, equipping them with all the relevant skills. Our nurse leaders use the latest care research, putting them at the forefront of high-quality care delivery.

In line with our vision, purpose, and values, our culture allows colleagues to feel valued, supported, happy in their work and able to contribute to our success.

Over the past year, we have:

- Started developing a Nurse Associate Programme. We currently have two colleagues on the programme with another intake set for later this year.
- Through consultation with colleagues, we have chosen to invest in pay enhancements for hours worked at nights, during weekends and Bank/public holidays. This applies to all colleagues working in our care homes and is part of our commitment to minimise the use of agency workers, to ensure that familiar Brendoncare team members are at the forefront of our quality care.
- We ran a series of forums in the Autumn of 2023, giving all colleagues the opportunity to come together with the Senior Leadership Team. They had a chance to discuss concerns, ask questions, share what is working well or what is working less well. It also provided a platform to share information from across the organisation and to celebrate successes.
- We have listened to colleague feedback about their uniforms. Following consultation with them, we sourced new uniforms which better suit their needs and give a consistent representation of the Brendoncare brand.
- We have relaunched the Extra Mile Awards for colleagues, aligning them to Brendoncare's values.

To help colleagues to connect in a practical way, we launched a new app called Blink. This has proved an effective form of communication among colleagues wishing to share good practice, information and achievements. Almost 90% of all colleagues are signed up to Blink.

We value the development and empowerment of our colleagues, providing learning and development opportunities that recognise the diversity of our workforce, builds careers and recognises individual aspirations.

Remuneration Policy

We relate pay differentials to the skill level required, workload, responsibilities, qualifications and external labour market forces. Our policy is that the ratio of the pay of the Chief Executive to the pay rates of the lowest paid colleague will not exceed 10:1. The ratio is currently 5.79:1.

We undertake annual pay reviews, generally on 1st April. The annual review considers the following internal factors:

- The turnover rate amongst colleagues in general, specific locations and particular roles
- The organisation's financial position and outlook
- The usage and cost of colleagues provided by agencies
- Additional data that can inform the review

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

The annual review takes account of the following external factors:

- The general economic outlook, the position of the not-for-profit and care sector labour markets
- The National Minimum Wage and the real Living Wage
- The consumer prices index (CPI) and/or other cost of living indices
- The average earnings index (AEI)
- The annual pay survey of the National Care Forum and/or any other appropriate source of relevant benchmarking information
- Additional data that can inform the review

The People Committee takes advice, guidance and information from such outside sources as may be necessary to review the pay of senior colleagues with substantial strategic responsibilities.

We have set up processes to ensure that we can meet the needs of Gender Pay Reporting. For 2022/23 we reported a median gap of 3.56% compared to the national average of 7.5% for the same period. The full report can be viewed on our website, www.brendoncare.org.uk/resources. Our next Gender Pay Report is due to be reported by 4 April 2025.

Impact and Effectiveness

As a charity, the positive impact that we can have on the lives of the people we exist to support is crucial to our choices and decision-making. We record the outputs of our charitable services, including the number of people we helped through Care for Life and community membership. We also collate qualitative and quantitative data, including survey responses, case studies and self-reported wellbeing scores for people using our services. This data helps to inform service development and improvement as well as demonstrating that we are meeting our charitable objectives.

Brendoncare also measures quality and compliance through the organisation's clinical governance structure. This includes regular audit, quarterly internal compliance assurance checks and quality monitoring by the Registered Manager, Head of Quality and Head of Care Homes. The Care and Clinical Governance Committee has responsibility for monitoring the quality and compliance of the care delivered.

Energy and carbon reporting

Brendoncare has collected evidence of the charity's environmental impact in accordance with the Streamlined Energy and Carbon Reporting (SECR) guidance. The data for the year ended 31st March 2024 is shown below.

During the year, energy usage totalled 4,350,936 kWh (2023: 4,821,149 kWh) which can be analysed further as follows:

- Electricity – 2,025,197 kWh (2023: 1,946,580)
- Gas – 2,293,258 kWh (2023: 2,552,636)
- Transport – 32,482 kWh (2023: 39,934)

Energy usage for electricity and gas is based on meter readings for actual consumption. The figure noted above for transport relates solely to colleagues use of privately owned vehicles for business use, where Brendoncare has reimbursed the cost of this mileage.

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO₂e) was 885 tonnes (2023: 976 tonnes). This works out at a ratio of 2.8 tonnes per bed based on the 311 beds available across all Brendoncare sites (2023: 2.9 tonnes based on 334 beds).

Brendoncare continues to work to improve energy efficiency across the organisation. We are moving away from non-LED energy efficiency lighting where we can as well as fitting insulation to piping and pipe joints as we undertake maintenance across the estate and where insulation is not already in place. We continue with a hybrid working policy meaning that most office-based colleagues can now work from home on some days each week. We hold many meetings via Teams, reducing travel where possible and will aim to

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

continue to evolve our flexible working models.

Our new care home, Brendoncare St Giles View which opened during the year, has been built to be rated BREEAM 'excellent', meaning it is in the top 10% for sustainability for UK new builds.

Customers and Suppliers

Having good business relationships helps to ensure the smooth running of the charity and we are committed to continue the fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity. The Board and senior management team regularly discuss the nature of relationships with key stakeholders and have clear engagement processes with suppliers and customers. We agree payment terms with all our business partners.

We recognise that sometimes things go wrong and Brendoncare has an established complaints policy and process to ensure that we review and address appropriately all complaints we receive.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities and Income and Expenditure Account is set out on page 23. The net assets at 31 March 2024 totalled £18.4m (2023: £20.5m) and principally represented our investment in care home buildings. Our general fund amounts to a deficit of £1.0m as the result of the operating deficit for the year and further investment in our estate. This is below our target of £3m, based on 6 weeks total budgeted expenditure. We expect an improvement in 2025 as Brendoncare has taken the decision to sell property assets that are not operational. We anticipate that this action will generate cash of around £3.5m to invest in the business.

Brendoncare has also recently launched a 3-year strategy, with a clear plan to review and expand our delivery of care and community services following a period of refocus. This includes the sale of non-operational fixed assets, as well as a detailed review of our operating model. These twin actions will increase cash available for future developments and improve our profitability thereby enabling us to reach our free reserves target in the period.

There were also some significant one-off operational items that have impacted performance in 2023/24. Organisations in the care sector are often impacted by "development drag" when opening a new home. This means that there can be delays in opening a home, lower occupancy initially, potentially lower fees and higher costs. This occurred with St Giles View and when excluded from the loss for the year, the ongoing operating result was a deficit of £835k reflecting a dip in occupancy across the estate in the second half of the year. When comparing the operating results of 2023/24 with 2022/23, after removing one-off items such as property sales in that year, the ongoing operating result for 2022/23 was a loss of £1.15m. On that basis, the operational performance in 2023/24 was a slight improvement although still a loss. During 2024/25 we introduced changes to improve operational performance, and this, combined with a much stronger occupancy over the first half of 2024/25, is resulting in a strong performance against both budget and the prior year.

The principal funding source for the charity during the year were fees for care services provided to our residents. These funds enable us to provide the quality care and community services that Brendoncare provides to help tackle the issues faced by older people.

Another factor affecting our results was that the interest rate swaps held by Brendoncare depreciated in value (£0.2m) during the financial year although our interest rate swaps resulted in us paying better interest rates on our borrowing than those prevailing in the market. The total value of the swaps have reduced as some of them have expired.

Finally, The Brendoncare Foundation supports our community services by donating the services of central office colleagues, including the fundraising team. A funding grant is also provided to bridge the gap between

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

the direct cost of running the service and the income received from subscriptions, grants and donations. This year that grant totalled £287k (2023: £560k).

During the year, The Brendoncare Foundation has provided charitable support totalling £1,385k (2023: £1,132k), including Care for Life and provision of management services to Brendoncare Clubs.

GOING CONCERN

The Trustees have reviewed the financial performance for the year ended 31st March 2024, the budget and performance to date for the year ending 31st March 2025, together with financial and cash flow forecasts beyond 31st March 2025.

The Group made a deficit of £2.1m in the year ended 31st March 2024 thereby depleting its consolidated general fund reserves to a negative balance of £1.0m. However, following the repayment of the Coronavirus Business Interruption Loan in full during the year and its contractual capital repayments to finance its care homes, outstanding debt has reduced although the Group cash balances have also fallen to £3,779k, including cash designated to meet the obligations the charity has to the leaseholders of the apartments.

With improved operating performance to date in 2024/25, our cash position has stabilised and with planned further sales of non-operating assets – with the first expected to complete during 2024/25 - we anticipate that cash levels will begin to increase in 2024/25 with a further increase in 2025/26, depending on the exact timing of further asset sales.

As mentioned in the financial review, Brendoncare has launched its 3-year strategy with a clear plan to both expand our delivery of care and community services in that period but will initially require a period of refocusing. This will involve the sale of non-operational fixed assets, principally two of our former care homes, as well as a detailed review of our operating model. These twin priorities will drive up cash available for future development and improve our profitability to enable us to reach our target free reserves level during that period.

In considering going concern, the Trustees have evaluated these plans and considered the financial impact of several scenarios, specifically sensitivity to fluctuating occupancy and the extent to which this could occur across the whole estate as well as the impact of mitigating actions that could be taken. The likelihood of all homes experiencing such a scenario is extremely small and therefore the Trustees concluded that Brendoncare holds sufficient reserves to be able to absorb the impact of these scenarios should they occur, given the plans for the next year and beyond.

The Trustees, therefore, have a reasonable expectation that Brendoncare has adequate resources to continue its operations for the foreseeable future and therefore concluded that it is appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Assets and Investments

Brendoncare's care homes are The Foundation's principal assets. The changes in fixed assets during the year are set out in note 10.

The Trustees have wide investment powers conferred on them by the Memorandum of Association. In practice, however, these powers are little used as Brendoncare does not have surplus funds, after meeting its charitable support requirements, with which to acquire long-term investment assets other than additions to its care homes.

Temporary surpluses are invested in short-term cash deposits, and short-term property investments have

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

arisen in the past during the development of property schemes. No such investments have been made during this financial year.

Cash, Borrowings and Interest

Brendoncare maintains cash resources sufficient to ensure the safe and continuous operation of the charity. The operating costs in the year to 31st March 2025 are expected to be of the order of £2m a month (£2.1m in the current year). Brendoncare's policy is to aim to have cash resources sufficient to meet these operating cash flows for a minimum of two months; however, we are required by our banking covenants to hold a

minimum of £2m in cash. Current cash levels are lower than we wish but are higher than the requirements of the banking covenants and we expect them to increase further during 2024/25 and 2025/26.

Brendoncare's financial performance improved towards the end of the year and this improvement has continued into 2024/25 which has steadied the financial position after the difficult year in 2023/24 due to delays in fully opening St Giles View and lower than hoped occupancy in certain other homes during the second half of the year. However, our position still needs improvement, and this is a fundamental pillar of our 3-year strategy.

Net debt decreased to £6m (2023: £6.3m); however, retained funds have fallen to £18.4m (2023: £20.5m) due to the deficit made this year, as outlined above.

Brendoncare's secured sterling bank debt of £9.8m (2023: £12m) has maturity dates between 2023 and 2027 and is, in effect, a mixture of fixed and variable interest rate loans. In managing Brendoncare's risks, the Trustees considered it appropriate to mitigate the short-term risks to Brendoncare arising from higher interest rates by using sterling interest rate swaps on a proportion of the total borrowings. These swaps are closely matched to the underlying debt profile. With the use of swaps, 39% of Brendoncare's bank debt, as at 31st March 2024, has been converted, in effect, to fixed interest terms. We plan, when market conditions allow, to increase the proportion of fixed rate borrowing. Further information regarding the applicable interest rates is included within note 15.

Reserves Policy

As outlined in Note 19 of the accounts, Brendoncare has refined its accounting policy for reserves during the year so that the treatment is more in line with that set out in the Charities SORP FRS 102 (Third Edition). The changes do not alter the level of reserves, merely their allocation between different funds so that the nature of these funds and the amount of free reserves and how this balance compares to the target level of free reserves in our reserves policy is clearer. The types of funds are described below:

Restricted Funds – as in prior years, all funds received where there is a restriction placed upon the use of those funds by the donor, are shown as restricted funds. To the extent that such funds are unspent at the year-end, these funds will be shown and described as restricted. Unlike previous years, where the funds have been used to help acquire property or other fixed assets, unless there is a residual restriction, the balance of these fixed assets will be recognised at net book value as a designated fund.

Designated Funds – The principal designated fund is one that is equal to the net book value of all fixed assets less associated borrowing. This reflects the fact that these funds are not freely available to be used as general funds and include the value of those fixed assets that had previously been purchased in part, or in whole, using funds restricted for that purpose. The Trustees can designate other funds for specific purposes. Currently, the only other designated funds are Sinking Funds where the Charity holds funds in relation to the sinking fund balances, which we are obligated to hold for the leaseholders of the apartments to which they relate, to meet our obligations under the lease. These funds are included within designated funds and total £2.7m.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

General Funds – All remaining funds Brendoncare holds are free reserves within our general fund and are available for any of the purposes of the Charity. As at 31st March 2024 there was a deficit on free reserves of £1.0m.

The Trustees have reflected on the size, complexity, the amount of financial risk and extent of commitments to future expenditure, have determined that an appropriate level of free reserves should be the equivalent of approximately 6 weeks operating costs. The target level of free reserves is therefore £3m. After a challenging year, we are currently some way away from achieving this level of free reserves, however the Board and senior team have an ambitious 3-year strategy and a clear plan to both expand our delivery of care and community services, but this firstly requires a period of refocusing involving the sale of non-operational fixed assets, principally two of our former care homes, as well as a detailed review of our operating model. These actions are expected to increase the amount of cash available for future developments and will improve our profitability to enable us to reach our target for free reserves.

Fundraising Practices

in line with best practice, Brendoncare adheres to the standards set by the Fundraising Regulator and the Chartered Institute of Fundraising.

We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. We have a clearly documented complaints procedure in place, enabling us to respond quickly to any concerns regarding our fundraising activities. During the year, there were no reported instances of non-compliance with the requirements of the fundraising code of practice and we did not receive any complaints about our fundraising activities.

Our fundraising policy clearly states the steps we follow to protect vulnerable people when offering support to the charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

The Trustees periodically review fundraising standards and compliance.

FUTURE PLANS

The population of the country is ageing, and we are focused on addressing the challenges people face in later life. Our community services help those living in their own homes to feel welcomed and connected, and for those needing more support we pride ourselves on offering the highest standards of dementia, nursing, residential and end of life care. Our extra care housing offers independent living for people but with the reassurance of help being on hand if needed.

Our colleagues, and the volunteers who work with us, are at the heart of Brendoncare, making brilliant contributions and enabling us to deliver these high-quality services.

There is still much to do in the future to bring older people the services they deserve, particularly in the underfunded social care sector, and this will be done by building the strength and resilience but Brendoncare for now and in the future.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

The core aims of our 2025-28 strategy are summarised in the infographic below.



Our primary priority is to provide the best care and support that older people need and want. At Brendoncare we continually look at the way we provide care and will redesign our care model in the best interests of all those we support.

To help with this, we will continue to invest in our estate as our Homes must continue to be great places to live. We will also invest in our colleagues to ensure that we have the best people to provide that care and also work towards ensuring we are financially robust and to have appropriate governance to deliver our services as a registered charity.

On 1st April 2024, the assets and liabilities of Brendoncare Clubs were transferred to Brendoncare Foundation as part of our strategy to more closely integrate all of our services.

Brendoncare is also in the process of selling two non-operational properties – The Old Parsonage and Park Road. These sales processes are at an early stage but we do have accepted offers on each property.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees hold overall ownership of risks. They have, in conjunction with the Senior Leadership Team (SLT), identified and reviewed all of the major risks to which the Group is exposed, and ensured that systems are in place to manage such risks.

The Trustees have a policy to embed effective risk management throughout Brendoncare such that risks are identified, mitigated, and communicated, and good risk management practice is shared across the organisation.

The Risk Register, including amendments from the Committees, is reviewed by the Board at least annually. The Committees of the Board take ownership for managing the risks within their remit and periodically undertake a more detailed examination of key risk areas and management responses. Day-to-day management of risk is delegated to the SLT and the Brendoncare Management Team.

The main risks and the mitigating actions are shown in the table on the next page.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

Risk area	Assessed risk	Control measures
Compliance with laws and regulation	Failure to meet standards, resulting in potential downgrading or reporting, or liability with respect to health & safety, data protection or food standards failures or breaches.	Internal inspections and audits alongside advice and training and the regular review of processes and policies.
Impact of lower occupancy levels	Our operating model is heavily dependent upon occupancy levels across our estate and there is a risk that this reduces due to attrition, competition, the need to increase fees and gaps between payments by local authorities and the cost of providing care.	Targets and budgets. Financial reporting including yield, occupancy. Monitoring of attrition levels. Dedicated customer relation team. Review of contract/process, including price management. Outsourcing of care home enquiry calls to increase capacity.
Not having appropriate governance structures and the right skills and knowledge on our Board of Trustees	Committee structure does not own all governance oversight. Lack of formal training means Trustees are not clear on roles and responsibilities. Poor attendance results in gaps in knowledge.	Review of SLT structure roles and responsibilities including lines of reporting into committees. Review of committee structure. Formal training for Trustees. Annual board/ SLT feedback on performance and attendance.
Changes in government policy have a negative impact on our business	Changes to how social care is funded as well as changes to minimum wages and other statutory staff cost changes have an impact on business cost and care fees.	Develop clear future financial models which can be flexed to understand specific impacts. National Care Forum membership to ensure voice of sector is heard and we can discuss impact and actions with peers.
A major incident or complaint or an event that causes the closure of any of our Homes	Major incidents impact brand trust and therefore business viability and the closure of a Home may have significant impact in terms of both lost revenue and reputation.	There are clear processes for incident oversight through Board committees and the leadership team and senior management. Any significant incidents are reported to the Board and carefully managed. We also have a robust complaints procedure and maintain appropriate insurances and business continuity processes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Brendoncare Foundation is a charitable company limited by guarantee, incorporated on 14 February 1984 and registered as a charity on 19 March 1984.

The company has a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses incurred by them in the performance of their duties is reclaimed from the charity, as set out in note 6 to the accounts.

Governance and Management

The Trustees are Directors for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 2011. They are required to be members of The Brendoncare Foundation and

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

are elected the members. The Board meets at least six times in a calendar year to agree strategic and policy matters, to approve investment projects and to review operational and financial performance.

The Charity has five Committees which are delegated certain responsibilities from the Board and meet at least quarterly to review these: Finance and Audit, Care & Clinical Governance, Development, Charitable Impact and People (formerly Remuneration). Responsibility for day-to-day operations is delegated to the Chief Executive, working within the framework of the approved strategy and business plan.

The number of meetings of the Committees in the year ended 31st March 2024 are as follows:

- Care & Clinical Governance Committee – four meetings
- Finance and Audit Committee – six
- Development Committee – six meetings
- People Committee – four meetings
- Charitable Impact Committee – four meetings

The Board meets six times in the year. As part of its governance procedures the Board regularly reviews the mix of skills of the Board together with plans for any future retirements and recruitment.

A Trustee, elected by the Board, is appointed for a three-year term and is eligible for re-election at the end of this term. The Trustees have adopted a policy of limiting the total time in office to nine years, with certain exceptions for Committee Chairs.

Trustees receive induction training provided by colleagues at Brendoncare, and attend regular development sessions, provided by colleagues and third-party experts, to enhance their understanding of issues faced by the charity. On appointment, Trustees receive a handbook containing a broad range of information aimed at assisting them to gain a deeper and more structured understanding of their role and of Brendoncare, and this is updated regularly.

Brendoncare reviews its governance arrangements regularly by assessing itself against the criteria set out in various publications, including the Charity Commission's Charity Governance Code, and as necessary establishing an improvement programme based upon its findings. In the event of the winding up of Brendoncare, the members are liable to contribute an amount not exceeding £1 each.

EMPLOYEE ENGAGEMENT AND POLICIES

Brendoncare and its Trustees strive to treat all colleagues equally and create a diverse and inclusive workplace, where everyone can be themselves. We also encourage applications from people with disabilities, aiming to develop their skills, and taking every reasonable measure to adapt our premises and working conditions to enable people with disabilities to work or volunteer with us.

At Brendoncare we have many formal and informal arrangements for keeping staff up-to-date and able to engage with matters of concern to them as employees.

Managers throughout the organisation hold regular, structured meetings with colleagues they manage providing an opportunity for communication of information and discussion of events as they develop. There are regular forums both within and across managers from different teams for example, the Brendoncare Leadership Team enabling managers to share experiences and participate in discussions about strategy and issues that affect all colleagues across the organisation.

Brendoncare also uses Blink which is a mobile-first digital employee platform that provides tools and resources, enables internal communications and encourages engagement.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

The Trustees consider colleague interests as a key factor in decision-making. However, on some occasions they need to make decisions that are in the best interests of the Charity, even though this may have a negative impact on certain colleagues, in which case action is taken to manage or mitigate this.

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) are responsible for preparing the report of the Trustees including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was reappointed as the charitable company's auditor and has expressed their willingness to continue in that capacity.

The report of the Trustees which includes the strategic report has been approved by the Trustees on 27th January 2025 and signed on their behalf by

Philip Dowson
Chairman of Trustees

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinion

We have audited the financial statements of The Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the Trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report

To the members of

The Brendoncare Foundation

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' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Independent auditor's report

To the members of

The Brendoncare Foundation

Capability of the audit in detecting irregularities

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

- We enquired of management and the Finance & Audit Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

29 January 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor 110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Brendoncare Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2024

	Note	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Income from:							
Donations and legacies	2	96	115	211	113	221	334
Charitable activities							
Care Homes and Housing with Care	3	24,262	186	24,448	24,787	250	25,037
Friendship and well-being clubs	3	87	-	87	50	-	50
Coronavirus support grants	3	-	-	-	-	365	365
Other Income	3	125	-	125	1,700	-	1,700
Total income		24,570	301	24,871	26,650	836	27,485
Expenditure on:							
Raising funds	4a	157	-	157	174	-	174
Charitable activities							
Care Homes and Housing with Care	4a	25,641	64	25,705	24,742	1,140	25,882
Friendship and well-being clubs	4a	870	88	958	736	147	883
Total expenditure		26,668	152	26,820	25,652	1,287	26,939
Transfers between funds	19a	3,463	(3,463)	-	-	-	-
Net income/(expenditure) for the year before other recognised gains and losses	5	1,365	(3,314)	(1,949)	998	(451)	547
Profit on sale of fixed assets		-		-	890	-	890
Change in valuation of interest rate swaps	16	(190)		(190)	369	-	369
Net movement in funds		1,175	(3,314)	(2,139)	2,257	(451)	1,806
Reconciliation of funds:							
Total funds brought forward		14,333	6,191	20,524	12,076	6,642	18,718
Total funds carried forward		15,508	2,877	18,385	14,333	6,191	20,524

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

The Brendoncare Foundation

Balance sheets

Company no. 01791733

As at 31 March 2024

		The group		The charity	
	Note	2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	10	45,264	29,657	45,201	29,588
		45,264	29,657	45,201	29,588
Current assets:					
Debtors due within one year	13	2,096	1,610	2,090	1,603
Cash at bank and in hand		3,779	7,787	3,760	7,748
		5,875	9,397	5,850	9,351
Liabilities:					
Creditors: amounts falling due within one year	14	(4,900)	(5,232)	(4,921)	(5,287)
Net current assets		975	4,165	929	4,064
Total assets less current liabilities		46,239	33,822	46,130	33,652
Creditors: amounts falling due after one year	15	(27,913)	(13,547)	(27,913)	(13,547)
Interest rate swap asset/(liability)	16	59	249	59	249
Total net assets	18a	18,385	20,524	18,276	20,354
Funds:	19a				
Restricted income funds		2,877	6,191	2,877	6,086
Unrestricted income funds:					
Designated funds		16,538	11,453	16,538	11,388
General funds		(1,030)	2,880	(1,139)	2,880
Interest rate swap reserve		-	-	-	-
Total unrestricted funds		15,508	14,333	15,399	14,268
Total funds		18,385	20,524	18,276	20,354

Approved by the Trustees on 27 January 2025 and signed on their behalf by

Philip Dowson
Chairman

Fay Gillott
Trustee

The Brendoncare Foundation

Consolidated statement of cash flows

For the year ended 31 March 2024

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

	2024		2023	
	£'000	£'000	£'000	£'000
Net (expenditure)/Income for the reporting period (as per the statement of financial activities)	(2,139)		1,806	
Depreciation charges	1,616		1,426	
Lease finance charges	665		-	
Change in valuation of swaps	190		(369)	
Decrease/(increase) in debtors	(486)		259	
(Decrease)/increase in creditors	3		(2,747)	
Net cash (used in)/provided by operating activities		(151)		375
Cash flows from investing activities:				
Purchase of fixed assets	(264)		(705)	
Proceeds from sale of fixed assets	-		5,502	
Loss/(Gain) on sale of fixed assets	4		(890)	
Assets under construction	(498)		(510)	
Net cash (used in)/provided by investing activities		(758)		3,397
Cash flows from financing activities:				
Finance lease payments	(653)		(55)	
Repayments of borrowing	(2,446)		(1,191)	
Net cash (used in) financing activities		(3,099)		(1,246)
Change in cash and cash equivalents in the year		(4,008)		2,526
Cash and cash equivalents at the beginning of the year		7,787		5,261
Cash and cash equivalents at the end of the year		3,779		7,787

Analysis of cash and cash equivalents and of net debt

	at 1 April 2023 £'000	Cash flows £'000	Other non- cash changes £'000	at 31 March 2024 £'000
Cash at bank and in hand	7,787	(4,008)	-	3,779
Total cash and cash equivalents	7,787	(4,008)	-	3,779
Loans falling due within one year	1,001	(343)	-	658
Loans falling due after more than one year	11,085	(2,103)	190	9,172
Finance lease falling due within one year	13	-	(13)	-
Finance lease falling due after more than one year	2,016	(653)	17,124	18,487
Total borrowings	14,115	(3,099)	17,301	28,317
Net debt	(6,328)	(909)	(17,301)	(24,538)

1 Accounting policies

a) Statutory information

The Brendoncare Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Malthouse, Victoria Road, Winchester, SO23 7DU.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Brendoncare Clubs and the dormant Brendoncare Enterprises Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period as documented in the report of the Trustees.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Whilst cash and free reserve levels have reduced in the year, the Board and senior management have established a clear strategy for the future of the organisation which will restore both cash and reserves levels through the sale of non-operational assets and returning the operating model of the organisation to profit. The trustees have carefully examined future financial projections and a range of scenarios in reaching this conclusion. Further detail on the trustees' assessment of going concern is included in the trustees' report.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from charitable activities comprises of income from the provision of health and social care to older people. For the care homes, it is stated after deducting charitable support by the Foundation, as the latter is regarded as a sales discount, under generally accepted accounting practice, rather than grant expenditure.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations comprise charitable grants received from trusts and statutory bodies, together with legacies and donations mainly from individuals.

1 Accounting policies (continued)

e) Income

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

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

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs that are not directly attributable to support, governance or activities for generating voluntary income, are allocated based on a proportion of staff costs.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on an estimate of staff time attributable to each activity.

1 Accounting policies (continued)

j) Interest payable

Interest is accrued and included in the consolidated statement of income and expenditure of the period for which it is receivable or payable. Interest payable includes the accrued interest differentials on interest rate swaps. The swaps are marked to market, with any valuation gains and losses accounted for through the statement of financial activities and are measured at fair value.

k) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are with the group are capitalised in the balance sheet and are depreciated over the lease term. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of financial activities so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental charges payable under operating leases are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Fixed assets are stated at the lower of their cost, being the purchase price together with any incidental expenses of acquisition, and their recoverable amount.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold land	Unlimited
Freehold buildings	50 years
Leasehold buildings	50 years
Building improvements	25 - 50 years
Furniture, fittings and equipment	5 - 8 years
Leasehold improvements	Over the remaining lease
Plant and machinery	25 years
Communications equipment	8 years
Computer equipment and software	3 years
Assets under construction	Not depreciated

Grants for fixed assets are recognised in the financial statements as incoming resources. If the criteria for certainty and measurability are not met, grants are treated as deferred income and disclosed as a liability in the balance sheet.

m) 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.

n) Cash at bank and in hand and current asset investments

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.

o) 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.

1 Accounting policies (continued)

p) Financial instruments

The Charity has both financial assets and financial liabilities of a kind that qualify as basic financial instruments and other financial instruments in the form of interest rate swaps and finance leases.

Interest rate swaps are held to manage the risks arising from fluctuations in interest rates

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q) Pensions

Brendoncare enrolls all employees, who meet the criteria, into the auto-enrolment defined contribution pension scheme after two months' service.

The group also operates another defined contribution pension scheme for longer serving staff which is closed to new entrants. The scheme is stakeholder compatible.

r) Sinking funds

Sinking funds comprise the contributions, together with interest less attributable expenditure, made upon the surrender of leases in the Charity's housing developments. These contributions are for the cost of renewals, replacements, improvements and other items of capital expenditure not covered by service charges. These funds are classified as Restricted Funds in these accounts as they are held on trust for tenants current and future.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Gifts	96	115	211	113	207	320
Legacies	-	-	-	-	-	-
Hampshire County Council Grant	-	-	-	-	14	14
Sub-total	96	115	211	113	221	334
Coronavirus Job Retention Scheme	-	-	-	-	-	-
	96	115	211	113	221	334

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Care Homes and Housing with Care						
Care fee income	24,045	-	24,045	24,492	-	24,492
Sinking fund income		186	186	250	-	250
Other ancillary services	217	-	217	296	-	296
Sub-total	24,262	186	24,448	25,037	-	25,037
Friendship and well-being clubs						
Club subscriptions	70	-	70	47	-	47
Other ancillary services	17	-	17	3	-	3
Sub-total	87	-	87	50	-	50
Coronavirus Support Grants						
Local authority funding grants	-	-	-		365	365
Interest Income	125	-	125	-	-	-
Total income from charitable activities	24,474	186	24,660	25,087	365	25,451

Notes to the financial statements

For the year ended 31 March 2024

4a Analysis of expenditure (current year)

	Charitable activities			Governance £'000	2024 Total £'000	2023 Total £'000
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000			
Staff costs	79	13,732	420	152	14,383	14,297
Staff support costs	68	1,971	220	-	2,259	2,205
Agency and consultancy	1	1,900	1	-	1,902	3,432
Total staff costs (note 6)	148	17,603	641	152	18,544	19,934
Repairs & maintenance	-	1,221	11	-	1,232	981
Food and household goods	-	936	18	-	954	903
Utilities	-	928	4	-	932	863
Interest payable	-	520	-	-	520	500
Finance charges on leases	-	609	-	-	609	-
Training costs	-	122	1	-	123	91
Stationery and communication costs	1	55	1	-	57	54
Transport and travel costs	1	19	28	-	48	43
Chemist and medical supplies (PPE)	-	160	-	-	160	131
Insurance	-	143	-	-	143	177
Regulatory costs	-	59	-	-	59	79
Activity costs	-	45	46	-	91	88
Staff recruitment	-	46	-	-	46	98
Legal and professional	-	65	-	-	65	14
Marketing costs	1	12	-	-	13	18
Bad debt provision	-	224	-	-	224	201
Other costs	6	158	61	-	225	197
Disposal/impairment of fixed assets	-	5	-	-	5	13
Audit and accountancy	-	-	-	64	64	45
	157	22,930	811	216	24,114	24,430
Premises and equipment support costs	-	978	112	-	1,090	1,083
Depreciation	-	1,465	9	-	1,474	1,204
Depreciation in support costs	-	128	14	-	142	222
	-	1,593	23	-	1,616	1,426
Governance costs	-	204	12	(216)	-	-
Total expenditure 2024	157	25,705	958	-	26,820	
Total expenditure 2023	174	25,882	883			26,939

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2024

4b Analysis of expenditure (prior year)

	Charitable activities				
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000	Governance £'000	2024 Total £'000
Staff costs	93	13,685	381	138	14,297
Staff support costs	70	1,924	211	-	2,205
Agency and consultancy	1	3,430	1	-	3,432
Total staff costs (note 6)	164	19,039	593	138	19,934
Repairs & maintenance	-	976	5	-	981
Food and household goods	-	892	11	-	903
Utilities	-	859	4	-	863
Interest payable	-	500	-	-	500
Training costs	1	88	2	-	91
Stationery and communication costs	1	52	1	-	54
Transport and travel costs	1	20	23	-	43
Chemist and medical supplies (PPE)	-	131	-	-	131
Insurance	-	176	1	-	177
Regulatory costs	-	79	-	-	79
Activity costs	-	52	36	-	88
Staff recruitment	-	98	-	-	98
Legal and professional	-	14	-	-	14
Marketing costs	-	18	-	-	18
Bad debt provision	-	201	-	-	201
Other costs	8	130	59	-	197
Disposal/impairment of fixed assets	-	13	-	-	13
Audit and accountancy	-	-	-	45	45
	174	23,338	735	183	24,430
Premises and equipment support costs	-	976	107	-	1,083
Depreciation	-	1,193	11	-	1,204
Depreciation in support costs	-	200	22	-	222
	-	1,393	33	-	1,426
Governance costs	-	175	8	(183)	-
Total expenditure 2023	174	25,882	883	-	26,939

Notes to the financial statements

For the year ended 31 March 2024

5 Net income for the year

This is stated after charging/(crediting):

	2024	2023
	£'000	£'000
Depreciation	1,616	1,426
Loss on disposal of fixed assets	4	-
Interest payable	655	444
Finance lease charges	665	56
Operating lease rentals:		
Property	5	5
Other	3	3
Auditor's remuneration (excluding VAT):		
Audit	41	37
Other services	-	-

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£'000	£'000
Salaries and wages	14,973	14,649
Redundancy and termination costs paid in this year	59	100
Social security costs	1,246	1,411
Pension contributions	363	343
Agency staff costs	1,903	3,431
	18,544	19,934

The company operates a defined contribution pension scheme. At the year end, payments totalling £57,000 (2023: £47,000) were outstanding and included within other creditors.

The key management personnel of the charitable company comprise the Trustees and the Management Team as listed on page 3. The total employee benefits including national insurance and pension contributions of the key management personnel were £574,000 (2023: £627,000).

Indemnity insurance is maintained to protect the Charity and to indemnify Trustees, Officers and Staff against the consequences of any neglect or default on their part. The cost involved is £12,700 (2023: £11,000). No Charity Trustee received any remuneration or payment for professional or other services supplied to the Charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £491 (2023: £1,649 by three members) incurred by 3 members relating to attendance at meetings of the Trustees.

Notes to the financial statements

For the year ended 31 March 2024

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose remuneration, including benefits but excluding pension contributions, fell within the following bands (over £60,000) was:

	2024	2023
	No.	No.
£110,000 - £120,000	1	1
£100,000 - £110,000	-	-
£90,000 - £100,000	2	-
£80,000 - £90,000	-	1
£70,000 - £80,000	6	7
£60,000 - £70,000	1	4

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024	2023
	No.	No.
Raising funds	3	4
Care homes	547	592
Friendship and well-being clubs	13	14
Volunteering	4	1
Support and governance	47	51
	614	662

8 Related party transactions

The related parties of The Brendoncare Foundation include the Trustees. Trustees made no restricted donations during the year (2023: £nil). There were no other related party transactions.

9 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Brendoncare Enterprises Limited is not exempt, however it would gift aid any available profits to the parent Charity.

Notes to the financial statements

For the year ended 31 March 2024

10 Tangible fixed assets

The group

	Freehold property	Long leasehold	Assets under construction	Fixtures, fittings and equipment and leasehold improvements	Computer equipment & software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At the start of the year	27,944	2,000	879	8,571	1,292	40,686
Additions in year	56	16,460	498	1,122	76	18,212
Disposals in year	-	-	-	(505)	-	(505)
Transfer	-	-	(958)	-	-	(958)
At the end of the year	28,000	18,460	419	9,188	1,368	57,435
Depreciation						
At the start of the year	4,847	183	-	5,080	918	11,028
Charge for the year	859	40	-	590	127	1,616
Eliminated on disposal	-	-	-	(473)	-	(473)
Transfer	-	-	-	-	-	-
At the end of the year	5,706	223	-	5,197	1,045	12,171
Net book value						
At the end of the year	22,294	18,237	419	3,991	323	45,264
At the start of the year	23,097	1,817	879	3,491	374	29,658

Land with a value of £4,780,000 (2023: £4,780,000) is included within freehold property and not depreciated; Brendoncare commission valuation reports periodically which indicate there is negligible risk of impairment.

Long leasehold property consists of Otterbourne Hill Mews 7 apartments sold to The Edward Gostling Foundation and leased back to Brendoncare under a finance lease arrangement and the St Giles View care home which is subject to a 35 year finance lease arrangement with Octopus Real Estate.

All of the above assets are used for charitable purposes.

The tangible fixed assets of the Charity comprise more than 99% of the Group's tangible fixed assets shown in the above table.

The closing balance of assets under construction relates to the costs incurred for Knightwood fixtures, fittings, equipment, and building-related professional fees paid for surveying and architecture.

11 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Brendoncare Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. The company did not trade in this or the previous financial year and therefore there is no turnover or costs of sales in either year. A summary of the funds position of the subsidiary is shown below:

	Brendoncare Enterprises	
	2024	2023
	£'000	£'000
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Retained earnings		
Total retained earnings brought forward	12	12
Profit/(loss) for the financial year	-	-
Retained earnings	12	12
The aggregate of the assets, liabilities and funds was:		
Assets	12	12
Liabilities (share capital)		
Funds	12	12

Brendoncare Enterprises has been dormant throughout the current year.

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2024

11 Subsidiary undertakings (continued)

The Brendoncare Foundation controls the following charitable company, limited by guarantee, by virtue of being the sole member:

	Brendoncare Clubs					
	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Donations and legacies	342	63	405	601	132	733
Charitable activities	87	-	87	50	-	50
Total income	429	63	492	650	132	782
Expenditure						
Raising funds	68	-	68	80	-	80
Charitable activities	391	93	484	578	147	725
Total expenditure	459	93	552	658	147	805
Transfer between funds	46	(46)	-	-	-	-
Net (expenditure)/income for the year	16	(76)	(60)	(8)	(15)	(22)
Reconciliation of funds:						
Total funds brought forward	93	76	169	101	91	192
Total funds carried forward	109	-	109	93	76	170
					2024 £'000	2023 £'000
Funds						
Assets					140	245
Liabilities					(31)	(75)
Net Assets					109	170

During the year, The Brendoncare Foundation made grants to Brendoncare Clubs amounting to £287,000 (2022: £560,000).

On 1 April 2024, the assets and liabilities of Brendoncare Clubs were transferred to the Brendoncare Foundation.

12 Parent Charity (The Brendoncare Foundation)

The Brendoncare Foundation's gross income and the results for the year are disclosed as follows:

	2024 £'000	2023 £'000
Gross income	24,667	27,263
Result for the year	(2,078)	1,826

Notes to the financial statements

For the year ended 31 March 2024

13 Debtors

	The group		The Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	1,412	1,219	1,412	1,219
Other debtors	1	1	1	1
Prepayments and accrued income	683	390	677	383
	2,096	1,610	2,090	1,603

14 Creditors: amounts falling due within one year

	The group		The Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank loans	658	1,001	658	1,001
Trade creditors	1,303	1,275	1,290	1,264
Amounts owed to subsidiaries	-	-	-	130
Taxation and social security	285	247	285	247
Other creditors	966	987	963	982
Accruals and deferred income	1,688	1,722	1,726	1,663
	4,900	5,232	4,922	5,287

15 Creditors: amounts falling due after one year

	The group		The Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amount due between two and five years:				
Bank loans	2,758	4,873	2,758	4,873
Deferred income	18	18	18	18
	2,776	4,891	2,776	4,891
Amounts due after five years:				
Bank loans	6,365	6,161	6,365	6,161
Loans from NHS	50	50	50	50
Amounts due under finance leases	18,487	2,016	18,487	2,016
Deferred income	176	180	176	180
	27,854	13,298	27,854	13,298
Secured creditors included in Notes 15 and 16	9,781	12,035	9,781	12,035

Amounts due under finance leases

Included in creditors are amounts due under finance leases in accordance with UK GAAP. Under finance lease accounting, due to the length of the lease and the present value of future lease payments, an asset is created (see note 10) and an equivalent liability. The asset and liability reduce over the course of the lease representing the useful economic value of the property. Rental payments continue to be paid as per the lease. The significant addition in 2024 is the St Giles View care home.

Notes to the financial statements

For the year ended 31 March 2024

15 Creditors: amounts falling due after one year (continued)

Bank loans

Each of the bank loans is secured by a first legal charge over one or more specified properties.

The loans are on a mix of fixed and variable rate terms and are repayable by instalments over the period 2014 to 2041. Sterling interest rate swaps entered into for the period 2020 to 2026 effectively convert part of the debt to fixed rate terms, as follows:

In £'000	2023/24	2022/23
Principal	£4,800	£7,500
Fixed interest rate	2.40%	1.28%

In £'000	Expires within 1-5 years	Notional principal £4,800	Fair value asset £59	Fair value liability -
Pay fixed for variable (3 month SONIA)				

Loans from the National Health Service

The Old Parsonage, Otterbourne

The loan agreement with Winchester Health Authority in respect of its loan of £50,000 stipulates that, in the event of the Otterbourne property being sold, or ceasing to be used as a Brendoncare home, the loan becomes repayable. The loan is non-interest bearing.

Coronavirus Loan

In July 2021, Brendoncare drew down a £2m floating rate basis Coronavirus Business Interruption Loan repayable in July 2027 secured by a legal charge over specified property. The loan was settled in full in the first quarter of the 2023/24 financial year.

16 Interest rate swap liability

	The group		The Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Opening balance	(249)	120	(249)	120
Fair value movement	190	(369)	190	(369)
	(59)	(249)	(59)	(249)

The interest rate swaps liability reflects the movement in the fair value of the interest rate swaps.

17 Deferred income

Deferred income comprises fee income paid in advance and deferred gain on the disposal of the apartments at Otterbourne Hill.

	The group		The Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	221	2,408	221	2,408
Amount released to income in the year	(23)	(2,211)	(23)	(2,211)
Amount deferred in the year	24	24	24	24
Balance at the end of the year	222	221	222	221

18a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	45,264	-	45,264
Net current assets	(1,030)	(872)	2,877	975
Long term liabilities	-	(27,854)	-	(27,854)
Net assets at the end of the year	(1,030)	16,538	2,877	18,385

The balance of designated funds includes the interest rate swap reserve within long term liabilities.

18b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	27,020	2,637	29,657
Net current assets	2,880	1,213	72	4,165
Long term liabilities	-	(13,298)	-	(13,298)
Net assets at the end of the year	2,880	14,935	2,709	20,524

19a Movements in funds (current year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers * £'000	At the end of the year £'000
Restricted funds:					
Alton	42	-	-	(42)	-
East Grinstead	812	-	-	(812)	-
Knightwood	351	-	-	(351)	-
Otterbourne Hill	1,293	-	-	(1,293)	-
Other funds	211	-	-	(211)	-
Care Homes donations	-	52	(13)	47	86
Brendoncare Clubs	-	63	(88)	25	-
Sinking funds	3,482	186	(51)	(826)	2,791
Total restricted funds	6,191	301	(152)	(3,463)	2,877
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	948	-	-	(948)	-
Interest rate swap reserve	(511)	-	242	(190)	(459)
Operations fund	11,016	-	-	(11,016)	-
Fixed Assets less associated borrowing	-	-	-	16,997	16,997
Total designated funds	11,453	-	242	4,843	16,538
General funds	2,880	24,571	(27,101)	(1,380)	(1,030)
Total unrestricted funds	14,333	24,571	(26,859)	3,463	15,508
Total funds	20,524	24,872	(27,011)	-	18,385

* A review of restricted funds was undertaken and found that the purposes of the funding were to support the building of various care homes. Therefore, the restriction was extinguished once the funds were spent. As a result, the decision was made to release these restricted funds into the designated capital fund and the general fund, as appropriate.

Notes to the financial statements

For the year ended 31 March 2024

19b Movements in funds (prior year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Alton	44	-	(2)	-	42
Tooting	649	-	(649)	-	-
East Grinstead	838	-	(26)	-	812
Knightwood	327	-	24	-	351
Otterbourne Hill	1,322	-	(29)	-	1,293
Other funds	209	586	(584)	-	211
Sinking funds	3,253	250	(21)	-	3,482
Total restricted funds	6,642	836	(1,287)	-	6,191
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	975	-	(27)	-	948
Interest rate swap reserve	(957)	-	77	369	(511)
Operations fund	9,396	26,432	(24,443)	(369)	11,016
Total designated funds	9,414	26,432	(24,393)	-	11,453
General funds	2,662	218	-	-	2,880
Total unrestricted funds	12,076	26,650	(24,393)	-	14,333
Total funds	18,718	27,486	(25,680)	-	20,524

Purposes of restricted funds

Restricted funds are those received by Brendoncare for a specific purpose as determined by the donor. Many of these have been used to support the building of care homes. Once these funds, generally speaking, the restriction is met and the funds are moved into the Fixed Assets designated fund. This is a change in accounting treatment during the year and is reflected in the fund transfers above. Unspent restricted funds remain in restricted funds.

Purposes of designated funds

Following the clarification of our treatment of reserves during the year, Designated funds have been simplified to include a fund equivalent to the net book value of fixed assets (less associated borrowing) as these funds are not freely available for the general purposes of the charity or group. The other designated fund at the year-end represents those funds held towards future repairs and maintenance requirements of our leasehold flat estate. As at 31 March 2024, the trustees have not designated any other funds. All other previously designated funds have been transferred as appropriate.

General funds

The balance of this fund on 31 March 2024 stood at (£1.03m) (2023: £2.88m). It comprises those funds that are freely available for the general purposes of the charity/group. Our target level of reserves in our reserves policy is £3m.

Other funds

Interest rate swap reserve

The balance of this fund on 31 March 2024 stood at a deficit of £459,000 (2023: deficit £511,000). It comprises the fair value movement in the interest rate swaps, and the charge representing the difference in the variable interest rate on the loans compared with the fixed rate achieved through the swap.

Sinking Funds

Included in Restricted Funds (previously in designated funds) are those balances that are received from owners of the leasehold flats at some of our care homes when they sell their property. The funds are to be put towards the cost of replacing, reinstating or improving the mews flats estate and have therefore been moved to restricted funds.

Other Funds

During the year to 31 March 2023, Brendoncare Clubs received a grant of £47,000 (2023: £62,000) from the National Lottery Community Fund towards the Community Support Services. This is included within other funds in the prior year.

Notes to the financial statements

For the year ended 31 March 2024

20 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Less than one year	5	5	3	2
One to five years	20	20	-	4
Over five years	25	30	-	-
	50	55	3	6

The Charity's total future minimum lease payments under non-cancellable operating leases were nil

21 Capital commitments

At the balance sheet date, the group had zero capital commitments (2023 £nil)

22 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE BRENDONCARE FOUNDATION

England & Wales - Charity number 326508

Accounts

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2023



The Brendoncare Foundation

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Winchester
SO23 7DU

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Email: enquiries@brendoncare.org.uk
www.brendoncare.org.uk

Company no: 01791733

Charity no: 326508

The Brendoncare Foundation

Contents

For the year ended 31 March 2023

Contents	Pages
Reference and administrative details	2
Report of the Trustees	4
Independent auditor's report	24
Consolidated statement of financial activities (incorporating an income and expenditure account)	28
Balance sheets	29
Consolidated statement of cash flows	30
Notes to the financial statements	31

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2023

Company number	1791733
Country of incorporation:	England and Wales
Charity number	326508
Country of registration:	England and Wales
Registered office and operational address	The Old Malthouse Victoria Road Winchester SO23 7DU
Patron	Her Royal Highness The Duchess of Edinburgh GCVO
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Philip Dowson Chair of Board Katherine Christie From 5 th July 2022 Lee-Ann Fenge Fay Gillott Chair of Development Committee Sarah Hobhouse Chair of Care and Clinical Governance Committee Ian Jacobs David Parfitt Helen Roberts Phillip Sykes Chair of Finance & Audit Committee Gordon Tillet Chair of People Committee Richard Turner From 24 th April 2022 Jane Williams
Vice Patrons	Nick Bosanquet Sir Anthony Newman-Taylor Janet Budd Lady Elisabeth Ribeiro Marie-Therese Hill Joe MacHale The Viscount Lifford Simon Theobalds Peter Willan Harvey White (Chair) Jilly Morton
Secretary	Rachel McIlroy Resigned 18th October 2022 Marianne Wanstall Appointed 19th October 2022
Bankers	Barclays Bank PLC 50 Jewry Street Winchester SO23 8TN

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2023

Solicitors Coffin Mew LLP
 Lakeside, North Harbour
 Portsmouth, Hampshire, PO6 3EN

Auditor Sayer Vincent LLP
 Chartered Accountants and Statutory Auditor
 Invicta House, 108-114 Golden Lane
 London
 EC1Y 0TL

Management Team

Chief Executive	Marianne Wanstall
Chief Financial Officer	Rachel McIlroy to 21st October 2022
Chief Financial Officer	Peter Gardiner from 27th February 2023 to 24th May 2023
Chief Financial Officer (interim)	Nick Allenson from 28th June 2023
Chief Operating Officer	Zoe McCallum to 30th September 2022
Director of Care & Wellbeing	Michael Crutchley from 17 th April 2023
Director of Charitable Impact and Community Services	Samantha Agnew
Director of Brand and Customer Experience	Emma Digance
Director of People and Culture	Aileen Ohlson

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

The Trustees present their report and the audited financial statements for the year ending 31 March 2023.

Reference and administrative information set out on pages two and three forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chief Executive Summary

As Brendoncare looks forward to 2024 when we celebrate our 40th anniversary as a registered charity, we remain fully committed to providing services that offer the best possible support for people in later life.

Thankfully, the after effects of the global pandemic lessened significantly over the past year. Slowly and carefully, our dedicated teams began to open up our care homes again, equipped with the knowledge and experience gained over the previous two years to mitigate any further risks from Covid-19 - or any other transmittable infections - to our residents, members, volunteers and colleagues. The pandemic has undoubtedly had a lasting impression on many people's physical and mental health, but thanks to the teams in our care homes, together with our colleagues and volunteers running our community services, we continued to deliver quality care and support throughout.

Understandably, it is taking time and considerable effort to bring our community services back to pre-pandemic levels. We are all greatly encouraged by the number of members and volunteers attending our clubs and using our wide range of online, telephone and digital services that are continuing to grow. We believe much of this is due to the all-inclusive community membership we now offer, which enables older people to use our full range of services, both face-to-face and online, that meets their ever-changing needs. We continue to grow our network of in-person clubs, support services and online activities, designed to address loneliness and isolation, especially among most at risk people living in those areas in which we operate.

In our care homes, we have seen the needs of those who choose to live with us increasing. In response, one of our measures is to focus on improving the wellbeing experiences for our care home residents. We are doing this by investing in and expanding our wellbeing teams who, every day, focus on enabling people to live well, alongside the provision of activities, events and outings.

Over the next five years, our focus will be on further developing our services and providing the highest quality care. We are looking forward to publishing a new five-year strategy to coincide with our 40th year in 2024.

None of our work is possible without the outstanding commitment and dedication from colleagues, volunteers and supporters across Brendoncare. We offer our heartfelt thanks and gratitude to all of them.

To reward the excellent work of our teams, in November 2022, we were pleased to give our 700 colleagues an early pay increase of between 2% and 4%. This rise was to help them with the cost of living crisis through the challenging winter months, with the highest increases allocated to those whose hourly pay rates were lowest. We then followed this up in April 2023 with a further 3% pay rise that resulted in all Brendoncare colleagues now earning at least the recommended real Living Wage level of £10.90 a hour - with most earning more than that.

Thank you to everyone who has provided help and support this year to help us to achieve our aims. We really appreciate all who support us as we approach our 40th anniversary.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

OBJECTIVES AND ACTIVITIES

Purpose and Aims

During the year, we launched a new vision and purpose. Brendoncare began with the principle that older people deserved better, and that founding belief remains true today. Our vision and purpose support our commitment to people in later life.

Our vision: To transform the culture of ageing to create a society that is kind and values age

Our vision statement lays down a challenge to ourselves and society to look differently at ageing, care and support.

Our purpose: We empower people to live well through the provision of age-friendly places and services

Our purpose is people-led. It ensures that whoever comes into the Brendoncare community can live their life to the fullest potential.

Our values:

Every Brendoncare service is supported by colleagues and volunteers who work together to create an organisation to be proud of. Our values unite us:

We are kind

We are respectful and warm-hearted

We take the time to understand what matters to others

We seek to do the kind thing, to genuinely make a difference through actions

We are empowering

We help people feel supported to make the best choice for them

We support, train and develop our people to feel confident in their decisions

We motivate ourselves and others to achieve their goals

We are dedicated

We are dedicated to making a difference everyday

We go the extra mile for others

We strive to be the best we can be, supporting others to live the best they can

We are forward-thinking

We continue our founders' pioneering approach to care

We challenge ourselves to keep seeking better ways of doing things

We are a force for good, building conversations that change perceptions of later life

The Trustees have taken into account the Charity Commission's guidance on public benefit when reviewing Brendoncare's aims, objectives and activities.

Activities and Charitable Objectives

During the year, Brendoncare has continued to adapt its services to meet the charity's objectives.

Brendoncare's principal activities and objectives are:

- Management of care homes in the south of England to provide quality care in residential settings. In the past year, 558 people received care in our homes.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

- Managing and providing financial support to our community services, including our online and face-to-face volunteer-led community clubs, digital and telephone support. All these services have helped to reduce the impact of loneliness and social isolation for around 1,000 older people.
- Management of five extra care (assisted) housing services. In the past year, we have supported around 112 people in apartments and bungalows.
- The provision of charitable support through our Brendoncare promise to 'Care for Life' in our care homes.

Our Care for Life promise

Our Care for Life promise provides security and peace of mind to residents in our care homes and their families. It ensures that when we welcome a permanent resident into one of our homes, we will never ask them to leave due to lack of funds. This gives enormous comfort and peace of mind to those who live with us, and their families.

The Care for Life promise is a core principle of Brendoncare. In addition to our excellent reputation as a care provider, it is also a key factor in many care seekers' decision to choose Brendoncare. It enables us to continue caring for every individual for as long as we can meet their care needs, even when a change in their financial circumstances means they are no longer able to pay their full fees.

As a charitable provider, we reinvest any surplus we generate into our charitable activities, including our Care for Life promise. Over the past year, we have supported 96 people, at a cost of £846k.

Care homes and extra care housing

Across our care homes, we offer a full spectrum of care services to meet individual needs, including dedicated dementia care, nursing care, respite stays, residential and end of life care.

In our five extra care housing developments, older people live in their own home but with the knowledge that we are always available to provide appropriate support when needed to help them maintain their independence.

As we develop our services, we focus on co-locating services that enable people to access the care and support they need while living with Brendoncare. Otterbourne Hill has apartments where couples can stay together when one of them is living with dementia. We empower people to live as independently as possible, giving our support whenever needed. Our onsite nursing and dementia care home means that should circumstances change, we can step in with additional support in the place they already call home.

Similarly, at our Alton care home, we also provide residential and nursing dementia care alongside our nursing households. This enables colleagues to continue supporting an individual within a familiar environment as their dementia progresses. At Alton, we opened our first overnight visitor bedroom for families. This makes it easier for families to have privacy when staying close to their loved one at a very difficult time. This has been particularly helpful for relatives and loved ones who live a distance away, or for those visiting loved ones approaching the end of their life. We aim to provide the opportunity for relatives to stay over whenever we can.

This year, the continuing development of our Customer Relationship Management (CRM) system has allowed more detailed reporting and projection of anticipated needs. Through the integration with our third party referral partners, we can ensure that we capture all enquiries, and then respond to them quickly and effectively.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

We also recently launched the new Brendoncare website. The website is much more intuitive and user-friendly, enabling visitors seeking information about all Brendoncare's services to navigate its pages easily. Fully integrating our CRM with the new website allows care seekers to engage with us in a way that suits them whilst capturing the relevant information we need to deliver a first class service to them.

During the year, we made progress on the construction of our new care home, St Giles View in Winchester. The home, opening in September 2023, is designed to Brendoncare's high specifications and includes acoustic monitoring technology (for discreet, safe and attentive night time care). Its BREEAM rating 'Excellent', places it in the top 10% for sustainability for rated UK new builds. Brendoncare's community membership will be available there, offering additional services to relatives of residents, families, previous respite residents, volunteers and the local community.

Community services, including Brendoncare Clubs:

Brendoncare Clubs is a subsidiary charity of The Brendoncare Foundation, providing community clubs for people in later life across Hampshire and Dorset.

Until the start of the pandemic in March 2020, Brendoncare ran a network of more than 100 community clubs, providing fun and friendship for older people while preventing loneliness and social isolation. To continue operating, we rapidly needed to find other ways of reaching older people who were isolated or living at home alone. Our services adapted quickly to provide more telephone support, digital skills training and online clubs. This proved to be a crucial lifeline for people facing the serious challenges of being alone and isolated.

Over the past two years, we have reopened many of our clubs. However, it did become clear that our online and telephone support services remained vital for many of our more vulnerable members: so we have made further investment to increase these services. We have continued to expand our proposition so that we now provide our members with all-inclusive package giving access to all our community-based services. These comprise community clubs, online clubs (such as live 'cooking for one' demonstrations and Virtual Voices, an online singalong session), digital training and information sessions, telephone and digital support, events, outings and a discount on respite stays in our care homes.

In 2022-23, paying members contributed £12 per month to use the services as often as they wish. Charitable funding from The Brendoncare Foundation subsidises the cost of membership for individuals. Through our Access Fund, in certain circumstances such as those people on means tested benefits, we can fully fund membership activities. This free membership also extends to relatives of Brendoncare residents, carers and people who have had respite care with us - and all Brendoncare volunteers.

Today, we run a network of 78 community clubs operating across Hampshire and Dorset, enjoyed by 871 registered members including the 225 volunteers who give their time freely to both the clubs and support services.

During the pandemic that greatly affected the activities of our community clubs, Brendoncare's Patron, HRH the Duchess of Edinburgh, joined the Havant Virtual Club on a Zoom call. She said then that when it was safe to do so, she would visit one of our community clubs. She fulfilled this promise last November when she attended a meeting of the Romsey Companions Club.

The Duchess was conferred her new title with her husband, HRH the Duke of Edinburgh, following the death of HM The Queen on 8th September last year.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Our surveys show that for many people in later life, their community club is their only or primary source of social contact. Our club members confirm that their club is very important to them and has a big impact on their health and well-being. According to the March 2023 Members' Survey, 100% of the members who responded said they would recommend Brendoncare membership to a friend. One member said: "I have really enjoyed being a Brendoncare member. So many friends I've made and I consider the cost of membership to be excellent value."

We also pride ourselves on working in partnership with other organisations to ensure that those who need us most can find us and benefit from the best support available. An example of this has been our partnership with University Hospital Southampton working on a research project that has provided training for some of our volunteers to deliver peer-led exercise and review the viability of this approach more widely. We have now embedded this approach into our community services.

The Brendoncare Foundation supports Brendoncare Clubs with the provision of management services at a cost of £270k (2022: £217k). This relates to colleague time, including fundraising and finance support and advice.

A funding grant is also given to bridge the gap between the direct cost of running the service and the income received from subscription income, grants and donations. This year, that grant totalled £290k.

This year, fundraising for Brendoncare Clubs resulted in income of £173k (2022: £189k)

Volunteering:

Volunteers are key members of the Brendoncare team. We value every individual choosing to give of, and share, their time and skills so generously with us. We are proud to be holders of the Investing in Volunteers award, given in recognition of Brendoncare's commitment to volunteering.

We currently have 225 volunteers – 189 working in our community clubs and services, and 36 in our care homes. Individually and collectively, volunteers enable us to make a real difference to people using our services every day.

Charitable focus and fundraising:

Health and social care is not working for older people in the UK. Too often, they face discrimination and challenges that make ageing difficult and sometimes frightening. Some of the impacts of this include:- loneliness, exclusion, difficulty navigating access to care, separation from loved ones, unsuitable housing options and the requirement to move as needs change, and a lack of consistent great quality care. These issues are exacerbated by an underfunded care sector, which struggles to recruit and retain staff.

As a charity, we strive to run services that tackle these challenges. We measure our success in terms of impact on lives rather than profit to shareholders.

Brendoncare is committed to empowering people to live well in later life. We already make a difference to the lives of around 2,000 people across the South of England, but there is still much more to do.

As a charity, we put people ahead of profit. We invest our surplus in improving the quality of experience people have with us. We do this by creating welcoming environments, developing our colleagues, installing innovative care technology, offering community services and financially supporting the most vulnerable through our Care for Life promise and Access fund.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

STRATEGIC REPORT

In preparing this report, the Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 applicable to large companies.

ACHIEVEMENTS AND PERFORMANCE

Operating Review

This was our first full year of operation following the Covid-19 pandemic, giving us an opportunity to review the impact it had on our care homes, extra care housing and community support services.

One of the most notable events of 2022-23 was the reopening and expansion of our community services network, especially the social clubs, which stayed open in a modified form during the pandemic.

As part of our Trustees' review of Brendoncare's geographical coverage, we sold and closed two of our care homes during the year. In August 2022, we sold Brendoncare Woodhayes in Exeter, all residents and colleagues there transferring across to its new owner. We wish all the residents, relatives, friends, volunteers and colleagues a bright and happy future. Then in January 2023, we closed Ronald Gibson House (RGH) in Tooting, London. The residents and colleagues all transferred to The Meadowcroft, a new purpose built care home located on the same hospital site. Our team continued to care for RGH's residents to the very highest standard right up until and during the move. We are very grateful for their commitment throughout and wish them and the residents all the very best in their new care home.

We are delighted to report that, at time of writing, Brendoncare St Giles View (SGV) is about to open. Unavoidable delays for a number of reasons hampered progress on the build and regrettably, we had to push back our target date for opening several times. This new care home, built to the highest standards, is our first in the city of Winchester to provide dedicated dementia care. It has two dementia households located on two of its three floors, each named after a local village – Chilcomb, Sparsholt and Littleton.

We undertook work to introduce acoustic monitoring technology at our care homes. This technology will discreetly improve overnight care by listening to sounds indicating distress or movement, which may indicate falls etc. Acoustic monitoring is proven to reduce falls by up to 55% and hospital admissions by 20%. The work started at Brendoncare Otterbourne Hill with colleagues, residents and relatives. We plan to make the switch in 2024 -25 with lessons learned at Otterbourne Hill informing the experience at SGV.

St Giles View will also offer community facilities where we can invite people from the local neighbourhood and organisations to join us for activities and events. Residents and colleagues from both Brendoncare Park Road and St Cross Grange, a Winchester-based care home run by another care provider, will be the first to move to St Giles View and we hope all of them enjoy a happy, fulfilling future at our beautiful new home.

Following this latest notable milestone in Brendoncare's history, we now operate in a smaller geographical area, and continue to identify sites in locations where we can provide services, both for those living in the community and those requiring residential care.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Colleagues

Our colleagues are the heart of the high quality provision in our care homes, extra care housing and community services. Across the sector nationally, social care vacancies continued to increase and remain above pre-pandemic levels.

According to the ONS, in 2022-23 the vacancy rate in social care was 9.9% as compared to 3.4% across all sectors. The 10.9% figure for 2021-22 was against 4.1% so there were reductions all around but significant pressures remained nonetheless.

In line with our vision, purpose and values, we continue to focus on creating a culture where all our colleagues feel valued, supported, happy in their work and able to contribute to Brendoncare's success. Brendoncare values the development and involvement of its colleagues, providing training and development opportunities that recognise the diversity of our workforce, builds careers and recognises individual aspirations. Another £100k has been set aside for developing colleagues.

During the year, we also increased our range of benefits available to all colleagues. These include the Blue Light card, the discount service for the social care sector, emergency services, NHS and Armed Forces. Brendoncare now covers the subscription fee for colleagues who wish to purchase the card, which provides members with thousands of discounts from top brands and services both online and on the high street. We also now provide free meals to our colleagues while they are working and on duty; also free period products in our central office and care homes.

Following an Internal Communications review at the end of the previous financial year, we appointed an Internal Communications Manager to focus on engaging with colleagues across the organisation so that they can contribute to decisions about how we deliver the best possible services.

The resultant communications strategy provides the foundations for Brendoncare to develop and thrive. For example, revamping "In the Loop" which goes to all colleagues with an email address, sourcing a new app called Blink to be launched by Autumn 2023 and commissioning videos for the new website.

During the year, we were also pleased to host a conference for colleagues. By holding the same event over three days, we could bring many colleagues together while continuing to run our care homes and community services.

As an equal opportunities employer, Brendoncare treats every employee, volunteer or job applicant fairly, basing every decision solely on the abilities and aptitudes of the individual concerned in relation to the role or training opportunity.

Remuneration Policy

As previously mentioned in the report, we have given colleagues two pay rises during the year, the first of between 2% and 4% in November 2022 to assist them with the cost of living crisis. The second pay rise in April 2023 amounting to 3% ensured that all Brendoncare colleagues are now receiving at least £10.90 an hour, which is the recommended level for the real Living Wage.

We relate pay differentials to the skill level required, workload, responsibilities, qualifications and external labour market forces. Our policy is that the ratio of the pay of the Chief Executive to the pay rates of the lowest paid colleague will not exceed 10:1. The ratio is currently 5.75:1 since we introduced the real Living Wage in April 2023.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

We undertake annual pay reviews, generally at 1st April. The annual review takes into account the following internal factors:

- The turnover rate amongst colleagues in general, specific locations and particular roles
- The organisation's financial position and outlook
- The usage and cost of colleagues provided by agencies
- Additional data that can inform the review

The annual review takes account of the following external factors:

- The general economic outlook, the position of the not-for-profit and care sector labour markets
- The National Minimum Wage and the real Living Wage
- The consumer prices index (CPI) and/or other cost of living indices
- The average earnings index (AEI)
- The annual pay survey of the National Care Forum and/or any other appropriate source of relevant benchmarking information
- Additional data that can inform the review

The People Committee takes advice, guidance and information from such outside sources as may be necessary to review the pay of senior colleagues with substantial strategic responsibilities.

We have set up processes to ensure that we can meet the needs of Gender Pay Reporting. We are delighted to report a median gap of -3.76% compared to the national average of 9.8% in our latest report. The full report can be viewed on our website, www.brendoncare.org.uk/resources.

Impact and Effectiveness

As a charity, the positive impact that we are able to have on the lives of the people we exist to support is crucial to our choices and decision-making. We record the outputs of our charitable services, including the number of people we help through care for life and community membership. We also collate qualitative and quantitative data including survey responses, case studies and self-reported wellbeing scores for people using our services. This data helps to inform service development and improvement as well as demonstrating that we are meeting our charitable objectives.

Brendoncare measures quality and compliance through the organisation's clinical governance structure. This includes regular audit, quarterly internal compliance assurance checks and quality monitoring by the Registered Manager, Head of Quality and Head of Care Homes. The Care and Clinical Governance Committee has responsibility for monitoring the quality and compliance of the care delivered.

Brendoncare Meadway and Brendoncare Knightwood received an in-person CQC Inspection with good results. All registered services receive a monthly risk review by CQC with no areas of concern found. Currently all registered services are rated 'good' by CQC.

Energy and carbon reporting

Brendoncare has collected evidence of the charity's environmental impact in accordance with the Streamlined Energy and Carbon Reporting (SECR) guidance. The data for the 12 months to 31st March 2023 is shown below.

During this period, energy usage totalled 4,821,149 kWh (2022: 5,498,046 kWh) which can be analysed further as follows:

- Electricity – 1,946,580 kWh (2022: 2,221,872)
- Gas – 2,552,636 kWh (2022: 2,945,690)
- Transport – 321,933 kWh (2022: 330,484)

Energy usage for electricity and gas is based on meter readings for actual consumption during the reporting period. The figure noted above for transport relates solely to colleagues use of privately owned vehicles

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

for business use, where Brendoncare has reimbursed the cost of this mileage. The usage for transport is based on the number of travel miles reimbursed to colleagues during the year.

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO₂e) for the reporting period was 976 tonnes (2022: 1,113 tonnes). This works out at a ratio of 2.9 tonnes per bed based on 334 beds available across all Brendoncare sites (2022: 3.0 tonnes).

Recommendations resulting from the ESOS audit and actions taken to improve energy efficient are expected to be complete by the end of 2023. They include:

- Developing an energy awareness campaign for colleagues – including a September switch off with a prize for the best performing home
- Replacing existing lighting with LED energy efficiency lighting
- Fitting insulation to piping and pipe joints where not already in place

We have implemented a hybrid working policy meaning that most office-based colleagues can now work from home on some days each week. We now hold many meetings via Zoom, reducing travel where possible.

Our new care home, Brendoncare St Giles View has been built to be rated BREEAM 'excellent', meaning it is in the top 10% for sustainability for UK new builds.

Having good business relationships helps to ensure the smooth running of the charity and we are committed to working to a fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity.

The Board and senior management team regularly discuss the nature of relationships with key stakeholders and have clear engagement processes with suppliers and customers. We agree payment terms with all our business partners.

We recognise that sometimes things go wrong and Brendoncare has an established complaints policy and process to ensure that we review and address appropriately all complaints we receive.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

FINANCIAL REVIEW

The combined Consolidated Statement of Financial Activities and Income and Expenditure Account is set out on page 28. The net assets at the end of the year stood at £20,524k (2022: £18,718k) and principally represents our investment in care home buildings. Of the balance of net assets, £2,880k is available as general funds.

The operating result for the year is shown in the table below:

£ 000's	31 st March 2023	31 st March 2022
Comparable operating result	(1,153)	(1,711)
Release of deferred income (<i>see note 11</i>)	1,700	-
Operating result	547	(1,711)
Gain on asset disposals	890	-
Swaps adjustment	369	101
Net movement in funds	1,806	(1,610)

The Brendoncare Foundation made an operating loss in the year to 31st March 2022 of £1.7m whilst the comparable operating loss for the year to March 2023 was £1.2m. This £0.5m improvement in performance for the year to March 2023 was largely a result of a £1.5m increase in gross income from higher occupancy levels. This is before a £0.1m increase in the costs of the Care for Life commitment and £0.8m in additional employment costs to support this growth. Other costs and fundraising income only changed marginally.

Brendoncare Foundation saw significant restructuring in 2022/23 with the disposal of Woodhayes in Exeter, Ronald Gibson House in Tooting and preparations for occupying St Giles View in Winchester, the latter acquired through a finance lease.

As part of the agreement to dispose of Ronald Gibson House, the NHS has waived any right to request the repayment of its original capital grant and therefore, The Brendoncare Foundation has released the deferred income accrual resulting in £1.7m as other income. This is not part of the on-going performance of the Brendoncare Foundation. This means the reported operating loss (net income before other recognised gains) became a surplus of £0.5m.

There were two significant gains in 2022 /23 that need to be recorded in Brendoncare's accounts. Firstly, the sale of the two properties realised £5.5m in cash which was significantly higher than their book value. This resulted in a £0.9m gain on the disposal of fixed assets.

Secondly, the interest rate swaps that The Brendoncare Foundation holds with Barclays Bank appreciated significantly in value (£0.4m) during the financial year. Our interest rate swaps allow the holder to pay significantly lower interest than today's base rate. This means that as base rates have increased during the year then the value of the swaps has also increased.

These two gains (£1.3m) combined with the operating surplus (£0.5m) mean the Brendoncare Foundation made an overall surplus (net movement in funds) of £1.8m in the year to March 2023.

Finally, The Brendoncare Foundation supports our community services by donating the support services of central office colleagues, including the fundraising team. A funding grant is also provided to bridge the gap between the direct cost of running the service and the income received from subscription income, grants and donations. This year that grant totalled £290k (2022:£180k).

During the year, The Brendoncare Foundation has provided charitable support totalling £1,132k (2022: £994k), including Care for Life and provision of management services to Brendoncare Clubs.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

GOING CONCERN

The Trustees have reviewed the financial performance in the year to 31st March 2023 and also the financial budget for the year ending 31st March 2024, together with financial and cash flow forecasts.

The Charity made a surplus of £1,806k in the year ended 31st March 2023 whilst the operating surplus before gain on disposal of fixed assets was £890k. The Charity has maintained substantial cash balances of £7,787k, including cash designated to meet the obligations the charity has to the leaseholders of the apartments. This cash level is sufficient to meet the operating cash flow needs of the Charity for the next year. In the current year, there has been a net outflow of £2,776k up from £1,850k in the previous year when CBIL drawdown and repayments are excluded. If this level of outflow were to continue, the balance would be sufficient for at least 12 months from the date of signing this report.

The budget for the coming 12 months anticipates a further increase in occupancy and fees for residents as confidence in the care home market increases. There are clear organisational objectives focussing on how this will be achieved. There is also expected to be a further receipt from the disposal of property later in the financial year or early in the following year.

In agreeing the budget, the Trustees considered the financial impact of a number of scenarios including:

- *10% reduction to the budgeted occupancy*
- *3% increase to budgeted operating costs*
- *20% reduction to budgeted fundraising income*

The Trustees concluded that Brendoncare holds sufficient reserves to be able to absorb the impact of these scenarios should they occur.

The Trustees have a reasonable expectation that Brendoncare has adequate resources to continue its operations for the foreseeable future and therefore concluded that it is appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Assets and Investments

Brendoncare's care homes are The Foundation's principal assets. The changes in fixed assets during the year are set out in note 10 and the significant property disposals in note 11.

The Trustees have wide investment powers conferred on them by the Memorandum of Association. In practice, however, these powers are little used as Brendoncare does not have any surplus funds, after meeting its charitable support requirements with which to acquire long-term investment assets other than additions to its care homes.

Temporary surpluses are invested in short-term cash deposits, and short-term property investments have arisen in the past during the development of property schemes. No such investments have been made during this financial year.

Cash, Borrowings and Interest

Brendoncare maintains cash resources sufficient to ensure the safe and continuous running of the charity. The operating costs in the year to 31st March 2024 are expected to be £2,080k a month (£2,100k in the current year). Brendoncare's policy is to maintain cash resources sufficient to meet these operating cash flows for a minimum of 2 months. We are also required by our banking covenants to hold a minimum of £4,000k in cash.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Brendoncare's financial position at the end of the year remained strong. Net debt increased to £6,328k (2021: £10,401). Net assets have increased to £20,523k (2022: £18,718k) due to the operating surplus made this year.

Brendoncare's secured sterling bank debt of £12,036k (2022: £13,597k) has maturity dates between 2023 and 2027 and is, in effect, a mix of fixed and variable interest rate loans. In managing Brendoncare's risks, the Trustees considered it appropriate to mitigate the short-term risks to Brendoncare arising from higher changes in interest rates through the use of sterling interest rate swaps on a proportion of the borrowings. These are closely matched to the underlying debt profile. With the use of swaps, 71% of Brendoncare's bank debt as at 31st March 2023 has been converted, in effect, to fixed interest terms. Further information regarding the applicable interest rates is included within note 16.

Reserves Policy

Brendoncare requires significant property assets in order to meet its charitable aims. Of the total reserves of £20,523k, £11,061k represents property assets net of the loan borrowings set against the properties to which they relate (property assets of £23,097k less bank loans including swaps adjustment of £12,036k). These are largely held as designated reserves whilst some are held as restricted because they were purchased using specific donations. As result, the funds available more accurately reflect the asset (such as cash) that can be easily liquidated for use to meet the operating needs of the charity.

The Charity holds funds in relation to the sinking fund balances, which we are obligated to hold for the leaseholders of the apartments to which they relate, in order to meet our obligations under the lease. These funds are included within designated funds and are made up of £2,642k and £840k of fixed assets.

Brendoncare holds sufficient unrestricted reserves to meet its charitable objectives in the short term. Free cash available for this purpose at 31st March 2023 totalled £2,880k, (i.e. approximately 6 weeks operating costs).

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Fundraising Practices

As part of our commitment to best practice, Brendoncare adheres to the standards set by the Fundraising Regulator and the Chartered Institute of Fundraising.

We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. We have a clearly documented complaints procedure in place, enabling us to respond quickly to any concerns regarding our fundraising activities. During the year, there were no reported instances of noncompliance with the requirements of the fundraising Code of Practice and we did not receive any complaints about our fundraising activities.

Our fundraising policy clearly states all the steps we follow to protect vulnerable people when offering support to the charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

The Trustees periodically review fundraising standards and compliance as part of the Board meetings.

FUTURE PLANS

In 2024, we will be marking the Brendoncare Foundation's 40th anniversary on 14th February with a series of events to celebrate this significant milestone in our history. These will include an annual conference for colleagues and numerous birthday activities throughout our care homes and community clubs.

We will continue to:

- address the challenges of growing loneliness and isolation in later life
- help people maintain and benefit from good physical, mental health and well-being
- tackle ageism, the stigma of older age, and foster inter-generational connections
- play our part in providing quality accommodation that is appropriate for peoples' needs

Our objectives support these goals, as well as our strategic plans:

- Providing services within clearly defined geographical areas using our resources and people to reach as many people as possible within them
- Connecting our care homes, community services and other accommodation options, so the people we support can easily access our help whenever they need it, and so that assistance can adapt along with their needs
- Investing in buildings and technology to make connecting and communicating easier, allowing us to improve the quality of our services
- Being clear about our charitable objectives and how they can have the most impact on our beneficiaries.

Our plan for the year ahead moves us forward on all of these points, whilst also taking into account our current challenges:

- Maintaining high levels of occupancy in our care homes
 - Significant cost increases (utilities, insurance, inflation, NI, National Living Wage)
- The challenges associated with recruiting colleagues to an under-resourced sector

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Our strategic priorities for the year ahead are:

Our Customers, we will:

- See and support each and every person as an individual.
- Provide age-friendly services that respond to people's wide range of needs in later life.
- Ensure that everyone we support is empowered to choose how they live.
- Make sure that wellness includes contentment and fulfilment so people live happily.
- Work to provide the best possible experience in all that we do.
- Make sure our charitable objectives positively impact peoples' quality of life.

Our Places, we will:

- Ensure all our homes and hubs provide comfort, safety, familiarity and community.
- Have places that allow residents and members to feel supported, listened to and empowered to make their own choices.
- Deliver new care homes in locations that support our ambition for integrated services.
- Invest in technology and other innovations that help us adapt and continue to offer great care and support.
- Recognise that we are not just about physical spaces; some of our services do not need a building to happen and have an impact.

Our People, we will:

- See and support each and every person as an individual.
- Develop and sustain a culture of kindness to help us attract and retain great colleagues and supporters to have a stable and happy workforce.
- Ensure that all colleagues have the opportunity to progress, develop and learn.
- Empower volunteers to deliver outstanding services.
- Ensure every colleague and volunteer is heard and can contribute to Brendoncare's future plans.

Our Business, we will:

- Protect our income and make good decisions about how we spend our money.
- Ensure our ways of working are efficient, simple and manageable.
- Be clear about where we provide services and what we can and cannot do.
- Make sure that our financial and organisational sustainability gives people certainty and security.
- Keep looking forward, using new and better working methods to make more possible.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

PRINCIPAL RISKS AND UNCERTAINTIES

Key risk:	How managed:
COVID-19: Impact of the pandemic on the well-being of staff, residents, mews tenants, members and volunteers as well as the impact on costs and reduced occupancy on financial sustainability.	After three years of living with Covid, our teams remain very adept at managing services, ensuring adherence to public health guidelines for infection control, and associated measures in the event of an outbreak. With the continued programme of vaccination boosters for the most vulnerable and high risk, instances of Covid outbreaks consistently reduced throughout the year. None of the residents who contracted Covid were seriously ill. During the course of the year, all homes returned to an open-door policy with visitors welcomed at any time. Mandatory use of masks was discontinued in December 2022 and routine testing discontinued by end March 2023. In Spring 2022, we saw a recovery in occupancy to pre-Covid levels and those levels have been maintained ever since. Colleagues continue to have access to support for any mental health concerns, including our Employee Assistance programme and our mental health First Aiders.
Service quality: Delivering quality, relevant and accessible services that residents, mews tenants and club members want at affordable prices, both now and in to the future.	During the course of the year, we have increased the number of colleagues supporting wellbeing in our homes to ensure that every resident lives well at Brendoncare. Our Customer Experience team is developing standards to support consistent delivery of quality experience across our services both for residents and for their loved ones. Informal feedback is welcomed. We undertake surveys with our club members, residents, their relatives and extra-care residents. These surveys provide us with important information about what they would like to see that will help us to shape the future of our services, and to continue to meet the needs of those who use them. During the year, we piloted a digital reception tool in one home, enabling visitors to leave feedback at the end of each visit, providing live information that we can act on quickly. This will be extended to all Brendoncare services in the coming year. We review our community services provision monthly in charitable impact meetings, assessing the outcomes of service delivery and charitable support. We have KPI dashboards to review and assess key metrics. We have established organisational values that we ask all colleagues and volunteers to support and work to.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Key risk:	How managed:
People: Ensuring we have the right people with the right skills throughout the organisation to deliver the quality of services on which residents and club members can depend.	In the course of the year, we completed the centralisation of our recruitment resource, to ensure a consistent approach to search and talent acquisition. By the end of the year, we were seeing small improvement in recruitment and retention levels, and this has continued into 2023. In Autumn 2022, we undertook an operational restructure of our central support team to ensure the team was best suited to support our colleagues in front line services, as well as ensuring that all areas of delivery received equal focus and support. This included the transfer of hospitality and wellbeing oversight to the Customer Experience directorate, the transfer of estate management to Finance, the transfer of learning and development to our people team, and the creation of a new health and safety role. We increased resource in our people team to support the continued implementation of the new HR/payroll system and to assist with ER casework. Leaders and managers continue to ensure they support colleagues to be the best they can be in their role. This year saw the delivery of a deputy manager development programme to support leadership development and succession planning. We continued to invest in training and development across the organisation, so that all colleagues and volunteers receive the required training and inductions to enable them to deliver the quality of service that we expect for residents and club members. During 2022, we appointed an Internal Communications Manager to improve contact and engagement with colleagues. We continue to engage with all colleagues, including through our annual all colleague conference. We continue to invest in volunteering as part of our commitment to service quality and charitable impact.
Financial Sustainability: Managing our finances in a challenging environment, to ensure that we can continue to make an impact in the future and can invest in growth.	We carry out care home fee benchmarking to ensure that our fees are appropriate and relative to the market, and the quality of care we provide. Despite higher than usual fee increases in the year, we have seen occupancy return to pre-pandemic levels which is very encouraging. Financial performance is reviewed monthly both at an operational and corporate level, with action plans developed and monitored to address any areas of concern.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Key risk:	How managed:
Financial Sustainability: (Continued)	Focus on management of people costs continues with ongoing investment in our workforce to reduce to impact of agency staffing. Targets are set and reviewed; forecasts are also prepared and monitored monthly to ensure proactive response to any financial issues. Monitoring of debtors has increased with review taking place monthly at corporate level to reduce risks around bad debts.
Regulatory Compliance: Meeting the requirements of regulators including the CQC, the Charity Commission, and the Fundraising Regulator.	The operational restructure saw the creation of two new compliance support roles, designed to provide proactive internal auditing of all services to ensure they meet the standards required by the CQC. These colleagues are engaging with the CQC as they prepare to roll out a new regulatory framework. The CQC inspected three services (two care homes and one assisted living site) and rated them as Good. We have established policies and procedures for all care policies; also for data protection, fundraising, health and safety and other areas to ensure we maintain regulatory compliance. Reporting and sharing learning from data breaches are embedded in practice.
Reputation: Demonstrating the values of Brendoncare and meeting ethical expectations of residents, club members, extra housing tenants, families, staff, volunteers and donors. Responding effectively to incidents that can damage reputation.	We regularly seek feedback on our services through surveys and external reviews. We have a documented complaints procedure in place to ensure that should the need arise, we address them appropriately. We regularly remind staff of their responsibilities with regard to safeguarding and whistle-blowing policies. We conduct Trustee training on safeguarding. Regular reviews in this area involving trustees and the leadership team drive training and policy reviews.
Managing change: Supporting capacity to develop, grow, innovate and change to remain fit for future purpose whilst embracing technology and digital skills.	Organisational objectives and plans are documented and shared with colleagues to enable them to understand Brendoncare's plans for future development and growth. Brendoncare continues to invest in and adopt technology. In the past year, we have installed Acoustic Monitoring technology in one care home to provide sensitive, discreet support to ensure our care teams are able to react as quickly as possible to those needing care, while leaving those sleeping soundly undisturbed.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Key risk:	How managed:
Managing change: (Continued).	We have also implemented Fault Fixers software in all services for the logging and reporting of maintenance issues and regulatory building checks. Brendoncare continues to progress with the implementation of a new HR, payroll and rostering system which will substantially simplify and streamline processes, as well as removing all current paper-based processes. We continue to engage with stakeholders in the wider sector for appropriate research and development projects that can support improvements to quality of life and of care.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 14 February 1984 and registered as a charity on 19 March 1984.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Governance and Management

The Trustees are Directors for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 2011.

The Trustees are required to be members of Brendoncare and are elected by approval of the members. The Board meets at least six times in a calendar year to agree strategic and policy matters, to approve investment projects and to review the operational performance of Brendoncare.

The Charity has four Committees which are delegated certain responsibilities from the Board and meet at least quarterly to review these: Finance and Audit, Care & Clinical Governance, Development, and People (formerly Remuneration). Responsibility for day-to-day operations is delegated to the Chief Executive, working within the framework of the approved strategy and business plan.

The Committees met as follows during the year to 31st March 2023:

- Board – eight meetings
- Care & Clinical Governance Committee – four meetings
- Finance and Audit Committee – five meetings
- Development Committee – five meetings
- People Committee – five meetings

As part of its governance procedures the Board regularly reviews the skills mix of the Board and plans for any future retirements.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

A Trustee elected by the Board is appointed for a three-year term and is eligible for re-election at the end of this term. The Trustees have adopted a policy of limiting the total time in office to nine years, with certain exceptions for Committee Chairs.

Trustees receive induction training provided by colleagues at Brendoncare, and attend regular development sessions, provided by colleagues and third party experts, to enhance their understanding of issues faced by the charity. On appointment, Trustees receive a handbook containing a broad range of information aimed at assisting them to gain a deeper and more structured understanding of their role and of Brendoncare, and this is updated regularly.

Brendoncare reviews its governance arrangements regularly by assessing itself against the criteria set out in various publications, including the Charity Commission's Charity Governance Code, and establishing an improvement programme based upon its findings.

In the event of a winding up, the members are liable to contribute an amount not exceeding £1 each.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) are responsible for preparing the report of the Trustees including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was reappointed as the charitable company's auditor and has expressed their willingness to continue in that capacity.

The report of the Trustees which includes the strategic report has been approved by the Trustees on 26th September 2023 and signed on their behalf by

Philip Dowson
Chairman of Trustees

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinion

We have audited the financial statements of Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement

Independent auditor's report

To the members of

The Brendoncare Foundation

in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Independent auditor's report

To the members of

The Brendoncare Foundation

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

Capability of the audit in detecting irregularities

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

- We enquired of management and the Finance & Audit Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable

Independent auditor's report

To the members of

The Brendoncare Foundation

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.

Fleur Holden (Senior statutory auditor)

2 November 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Brendoncare Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

		Unrestricted	Restricted	2023 Total £'000	Unrestricted	Restricted	2022 Total £'000
	Note	£'000	£'000		£'000	£'000	
Income from:							
Donations and legacies	2	113	221	334	113	148	261
Coronavirus Job Retention Scheme		-	-	-	49	-	49
Charitable activities							
Care Homes and Housing with Care	3	25,037	-	25,037	23,339	-	23,339
Friendship and well-being clubs	3	50	-	50	28	-	28
Coronavirus support grants	3	-	365	365	-	655	655
Other Income	11	1,700	-	1,700	-	-	-
Total income		26,900	586	27,485	23,529	803	24,332
Expenditure on:							
Raising funds	4	174	-	174	209	-	209
Charitable activities							
Care Homes and Housing with Care	4	24,763	1,119	25,882	24,389	821	25,210
Friendship and well-being clubs	4	736	147	883	533	91	624
Total expenditure		25,673	1,266	26,939	25,131	912	26,043
Net income/(expenditure) for the year before other recognised gains and losses	5	1,227	(680)	547	(1,602)	(109)	(1,711)
Profit on sale of fixed assets	11	890	-	890	-	-	-
Change in valuation of interest rate swaps	17	369	-	369	101	-	101
Net movement in funds		2,486	(680)	1,806	(1,501)	(109)	(1,610)
Reconciliation of funds:							
Total funds brought forward		15,329	3,389	18,718	16,830	3,498	20,328
Total funds carried forward		17,815	2,709	20,524	15,329	3,389	18,718

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

The Brendoncare Foundation

Balance sheets

Company no. 01791733

As at 31 March 2023

		The group		The charity	
	Note	2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	10	29,657	34,238	29,588	34,158
		29,657	34,238	29,588	34,158
Current assets:					
Debtors due within one year	14	1,610	1,869	1,603	1,863
Cash at bank and in hand		7,787	5,261	7,748	5,209
		9,397	7,130	9,351	7,072
Liabilities:					
Creditors: amounts falling due within one year	15	(5,232)	(6,307)	(5,287)	(6,395)
Net current assets		4,165	823	4,064	677
Total assets less current liabilities		33,822	35,061	33,652	34,835
Creditors: amounts falling due after one year	16	(13,547)	(16,223)	(13,547)	(16,223)
Interest rate swap asset/(liability)	17	249	(120)	249	(120)
Total net assets	19	20,524	18,718	20,354	18,492
Funds:	20				
Restricted income funds		2,709	3,389	2,634	3,298
Unrestricted income funds:					
Designated funds		15,446	13,624	15,351	13,624
General funds		2,880	2,662	2,880	2,527
Interest rate swap reserve		(511)	(957)	(511)	(957)
Total unrestricted funds		17,815	15,329	17,720	15,194
Total funds		20,524	18,718	20,354	18,492

Approved by the Trustees on 26 September 2023 and signed on their behalf by

Philip Dowson
Chairman

Phillip Sykes
Trustee

The Brendoncare Foundation

Consolidated statement of cash flows

For the year ended 31 March 2023

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

	2023		2022	
	£'000	£'000	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,806		(1,610)	
Depreciation charges	1,426		1,563	
Change in valuation of swaps	(369)		101	
Decrease/(increase) in debtors	259		(21)	
(Decrease)/increase in creditors	(2,747)		(116)	
Net cash used by operating activities		375		(83)
Cash flows from investing activities:				
Purchase of fixed assets	(705)		(762)	
Proceeds from sale of fixed assets	5,502		-	
(Gain) on sale of fixed assets	(890)			
Assets under construction	(510)		(27)	
Net cash provided by / (used in) investing activities		3,397		(789)
Cash flows from financing activities:				
Finance lease payments	(55)		(52)	
Repayments of borrowing	(1,191)		(926)	
Cash inflows from new borrowing	-		2,000	
Net cash (used in) / provided by financing activities		(1,246)		1,022
Change in cash and cash equivalents in the year		2,526		150
Cash and cash equivalents at the beginning of the year		5,261		5,111
Cash and cash equivalents at the end of the year	#	7,787		5,261

Analysis of cash and cash equivalents and of net debt

	at 1 April 2022 £'000	Cash flows £'000	Other non- cash changes £'000	at 31 March 2023 £'000
Cash at bank and in hand	5,261	2,526	-	7,787
Total cash and cash equivalents	5,261	2,526	-	7,787
Loans falling due within one year	1,224	(223)	-	1,001
Loans falling due after more than one year	12,422	(968)	(369)	11,085
Finance lease falling due within one year	5	-	8	13
Finance lease falling due after more than one year	2,011	(55)	60	2,016
Total borrowings	15,662	(1,246)	(301)	14,115
Net debt	(10,401)	3,772	301	(6,328)

1 Accounting policies

a) Statutory information

The Brendoncare Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Malthouse, Victoria Road, Winchester, SO23 7DU.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Brendoncare Clubs and the dormant Brendoncare Enterprises Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period as documented in the report of the Trustees.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Further detail on the trustees' assessment of going concern is included in the trustees' report.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from charitable activities comprises of income from the provision of health and social care to older people. For the care homes, it is stated after deducting charitable support by the Foundation, as the latter is regarded as a sales discount, under generally accepted accounting practice, rather than grant expenditure.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations comprise charitable grants received from trusts and statutory bodies, together with legacies and donations mainly from individuals.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

e) Income

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Coronavirus job retention scheme income and other coronavirus support income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. There is more information about their contribution in the Report of the Trustees.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs that are not directly attributable to support, governance or activities for generating voluntary income, are allocated based on a proportion of staff costs.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on an estimate of staff time attributable to each activity.

1 Accounting policies (continued)

k) Interest payable

Interest is accrued and included in the consolidated statement of income and expenditure of the period for which it is receivable or payable. Interest payable includes the accrued interest differentials on interest rate swaps. The swaps are marked to market, with any valuation gains and losses accounted for through the statement of financial activities and are measured at fair value.

l) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are with the group are capitalised in the balance sheet and are depreciated over the lease term. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of financial activities so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental charges payable under operating leases are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Fixed assets are stated at the lower of their cost, being the purchase price together with any incidental expenses of acquisition, and their recoverable amount.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold land	Unlimited
Freehold buildings	50 years
Leasehold buildings	50 years
Building improvements	25 - 50 years
Furniture, fittings and equipment	5 - 8 years
Leasehold improvements	Over the remaining lease
Plant and machinery	25 years
Communications equipment	8 years
Computer equipment and software	3 years
Assets under construction	Not depreciated

Grants for fixed assets are recognised in the financial statements as incoming resources. If the criteria for certainty and measurability are not met, grants are treated as deferred income and disclosed as a liability in the balance sheet.

n) 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.

o) Cash at bank and in hand and current asset investments

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.

p) 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.

1 Accounting policies (continued)

q) Financial instruments

The Charity has both financial assets and financial liabilities of a kind that qualify as basic financial instruments and other financial instruments in the form of interest rate swaps and finance leases.

Interest rate swaps are held to manage the risks arising from fluctuations in interest rates

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

Brendoncare enrolls all employees, who meet the criteria, into the auto-enrolment pension scheme after two months' service.

The group also operates a defined contribution pension scheme for longer serving staff which is closed to new entrants. The scheme is stakeholder compatible.

s) Sinking funds

Sinking funds comprise the contributions, together with interest less attributable expenditure, made upon the surrender of leases in the Charity's housing developments. These contributions are for the cost of renewals, replacements, improvements and other items of capital expenditure not covered by service charges. These funds are classified as Designated Funds in these accounts.

Notes to the financial statements

For the year ended 31 March 2023

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Gifts	113	207	320	108	110	218
Legacies	-	-	-	5	-	5
Hampshire County Council Grant	-	14	14	-	38	38
Sub-total	113	221	334	113	148	261
Coronavirus Job Retention Scheme	-	-	-	49	-	172
	113	221	334	162	148	433

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Care Homes and Housing with Care						
Care fee income	24,492	-	24,492	22,800	-	22,800
Sinking fund income	250	-	250	251	-	251
Other ancillary services	296	-	296	288	-	288
Sub-total	25,037	-	25,037	23,339	-	23,339
Friendship and well-being clubs						
Club subscriptions	47	-	47	18	-	18
Other ancillary services	3	-	3	10	-	10
Sub-total	50	-	50	28	-	28
Coronavirus Support Grants						
Local authority funding grants	-	365	365	-	655	655
Sub-total	-	365	365	-	655	655
Total income from charitable activities	25,087	365	25,451	23,367	655	24,022

Notes to the financial statements

For the year ended 31 March 2023

4a Analysis of expenditure (current year)

	Charitable activities				2023 Total £'000	2022 Total £'000
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000	Governance £'000		
Staff costs	93	13,685	381	138	14,297	15,489
Staff support costs	70	1,924	211	-	2,205	1,499
Agency and consultancy	1	3,430	1	-	3,432	2,346
Total staff costs (note 6)	164	19,039	593	138	19,934	19,334
Repairs & maintenance	-	976	5	-	981	950
Food and household goods	-	892	11	-	903	839
Utilities	-	859	4	-	863	747
Interest payable	-	500	-	-	500	386
Training costs	1	88	2	-	91	104
Stationery and communication costs	1	52	1	-	54	128
Transport and travel costs	1	20	23	-	43	32
Chemist and medical supplies (PPE)	-	131	-	-	131	207
Insurance	-	176	1	-	177	150
Regulatory costs	-	79	-	-	79	73
Activity costs	-	52	36	-	88	72
Staff recruitment	-	98	-	-	98	120
Legal and professional	-	14	-	-	14	49
Marketing costs	-	18	-	-	18	21
Bad debt provision	-	201	-	-	201	-
Other costs	8	130	59	-	197	117
Disposal/impairment of fixed assets	-	13	-	-	13	-
Audit and accountancy	-	-	-	45	45	39
	174	23,338	735	183	24,430	23,368
Premises and equipment support costs	-	976	107	-	1,083	1,112
Depreciation	-	1,193	11	-	1,204	1,220
Depreciation in support costs	-	200	22	-	222	343
	-	1,393	33	-	1,426	1,563
Governance costs	-	175	8	(183)	-	-
Total expenditure 2023	174	25,882	883	-	26,939	
Total expenditure 2022	209	25,210	624			26,043

Notes to the financial statements

For the year ended 31 March 2022

4b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Charitable activities		Governance £'000	2022 Total £'000
		Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000		
Staff costs	151	14,982	302	54	15,489
Staff support costs	44	1,332	123	-	1,499
Agency and consultancy	-	2,346	-	-	2,346
Total staff costs (note 6)	195	18,660	425	54	19,334
Repairs & maintenance	-	948	2	-	950
Food and household goods	-	836	3	-	839
Utilities	-	744	3	-	747
Interest payable	-	386	-	-	386
Training costs	2	100	2	-	104
Stationery and communication costs	1	121	6	-	128
Transport and travel costs	-	16	16	-	32
Chemist and medical supplies (PPE)	-	207	-	-	207
Insurance	-	149	1	-	150
Regulatory costs	-	73	-	-	73
Activity costs	-	49	23	-	72
Staff recruitment	-	120	-	-	120
Legal and professional	-	49	-	-	49
Marketing costs	-	21	-	-	21
Reversal of bad debt provision	-	-	-	-	-
Other costs	11	91	15	-	117
Disposal/impairment of fixed assets	-	-	-	-	-
Audit and accountancy	-	-	-	39	39
	209	22,570	496	93	23,368
Premises and equipment support costs	-	1,031	81	-	1,112
Depreciation	-	1,205	15	-	1,220
Depreciation in support costs	-	319	24	-	343
	-	1,524	39	-	1,563
Governance costs	-	85	8	(93)	-
Total expenditure 2022	209	25,210	624	-	26,043

Notes to the financial statements

For the year ended 31 March 2023

5 Net income for the year

This is stated after charging/(crediting):

	2023	2022
	£'000	£'000
Depreciation	1,426	1,563
Interest payable	500	386
Operating lease rentals:		
Property	5	32
Other	3	3
Auditor's remuneration (excluding VAT):		
Audit	37	34
Other services	-	8

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£'000	£'000
Salaries and wages	14,649	15,238
Redundancy and termination costs paid in this year	100	12
Social security costs	1,411	1,389
Pension contributions	343	349
Agency staff costs	3,431	2,346
	19,934	19,334

The company operates a defined contribution pension scheme. At the year end, payments totalling £47,000 (2022: £58,000) were outstanding and included within other creditors.

The key management personnel of the charitable company comprise the Trustees and the Management Team as listed on page 3. The total employee benefits including national insurance and pension contributions of the key management personnel were £627,000 (2022: £534,000).

Indemnity insurance is maintained to protect the Charity and to indemnify Trustees, Officers and Staff against the consequences of any neglect or default on their part. The cost involved is £11,000 (2022: £10,000). No Charity Trustee received any remuneration or payment for professional or other services supplied to the Charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,649 (2022: £1,756 by four members) incurred by three members relating to attendance at meetings of the Trustees.

Notes to the financial statements

For the year ended 31 March 2023

6 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose remuneration, including benefits but excluding pension contributions, fell within the following bands (over £60,000) was:

	2023	2022
	No.	No.
£110,000 - £130,000	1	1
£100,000 - £110,000	-	2
£90,000 - £100,000	-	-
£80,000 - £90,000	1	-
£70,000 - £80,000	7	4
£60,000 - £70,000	4	2

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023	2022
	No.	No.
Raising funds	4	6
Care homes	592	698
Friendship and well-being clubs	14	11
Volunteering	1	1
Support and governance	51	42
	662	758

8 Related party transactions

The related parties of The Brendoncare Foundation include the Trustees. Trustees made no restricted donations during the year (2022: £nil). There were no other related party transactions.

9 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Brendoncare Enterprises Limited is not exempt, however it would gift aid any available profits to the parent Charity.

10 Tangible fixed assets

The group

	Freehold property £'000	Long leasehold £'000	Assets under construction £'000	Fixtures, fittings and equipment and leasehold improvements £'000	Computer equipment & software £'000	Total £'000
Cost						
At the start of the year	33,357	2,000	368	9,795	974	46,494
Additions in year	259	-	510	126	320	1,215
Impairment of assets	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Disposals in year	(5,673)	-	-	(1,352)	-	(7,025)
At the end of the year	27,943	2,000	878	8,569	1,294	40,684
Depreciation						
At the start of the year	6,031	143	-	5,376	706	12,256
Charge for the year	524	40	-	649	213	1,426
Eliminated on disposal	(1,709)	-	-	(946)	-	(2,655)
At the end of the year	4,846	183	-	5,079	919	11,027
Net book value						
At the end of the year	23,097	1,817	878	3,490	375	29,657
At the start of the year	27,326	1,857	368	4,419	268	34,238

Land with a value of £4,780,000 (2022: £6,496,000) is included within freehold property and not depreciated; Brendoncare commission valuation reports periodically which indicate there is negligible risk of impairment.

Long leasehold property consists of 7 apartments sold to The Edward Gostling Foundation under a finance lease arrangement.

All of the above assets are used for charitable purposes.

The tangible fixed assets of the Charity comprise more than 99% of the Group's tangible fixed assets shown in the above table.

The closing balance of assets under construction relates to the costs incurred on St Giles View Fixtures, fittings and equipment.

11 Disposal of fixed assets

Two care homes were sold during the financial year. Woodhayes was sold in July 2022 and Ronald Gibson House was sold in January 2023. Disposal values are shown below

Net book values before the disposal	Land	Freehold property	Fixtures, fittings and equipment and leasehold improvements £'000	Fees incurred during disposal £'000	Sale Proceeds £'000	Surplus £'000
Ronald Gibson House	£'000 1,600	£'000 1,978	204	122	4,302	398
Woodhayes	116	270	189	133	1,200	492
Total	1,716	2,248	393	255	5,502	890

In addition, as part of the disposal of Ronald Gibson House, the purchaser has agreed that any obligation to repay of the NHS grant would be waived. As a result the remaining deferred income balance of £1,700,000 has been released and included as Other income in the Statement of Financial Activities.

12 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Brendoncare Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. The company did not trade in this or the previous financial year and therefore there is no turnover or costs of sales in either year. A summary of the funds position of the subsidiary is shown below:

	Brendoncare Enterprises	
	2023	2022
	£'000	£'000
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Retained earnings		
Total retained earnings brought forward	12	12
Profit/(loss) for the financial year	-	-
Retained earnings	12	12
The aggregate of the assets, liabilities and funds was:		
Assets	12	12
Liabilities (share capital)		
Funds	12	12

Brendoncare Enterprises has been dormant throughout the current year.

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2023

12 Subsidiary undertakings (continued)

The Brendoncare Foundation controls the following charitable company, limited by guarantee, by virtue of being the sole member:

	Brendoncare Clubs					
	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Income						
Donations and legacies	601	132	733	480	106	586
Charitable activities	50	-	50	28	-	28
Total income	651	132	783	508	106	614
Expenditure						
Raising funds	80	-	80	99	-	99
Charitable activities	576	149	725	423	91	514
Total expenditure	656	149	805	522	91	613
Net (expenditure)/income for the year	(5)	(17)	(22)	(14)	15	1
Reconciliation of funds:						
Total funds brought forward	101	91	192	115	76	191
Total funds carried forward	96	74	170	101	91	192
					2023 £'000	2022 £'000
Funds						
Assets					245	217
Liabilities					(75)	(25)
Net Assets					170	192

During the year, The Brendoncare Foundation made grants to Brendoncare Clubs amounting to £560,000 (2022: £397,000).

13 Parent Charity (The Brendoncare Foundation)

The Brendoncare Foundation's gross income and the results for the year are disclosed as follows:

	2023 £'000	2022 £'000
Gross income	27,263	24,117
Result for the year	1,826	(1,503)

Notes to the financial statements

For the year ended 31 March 2023

14 Debtors

	The group		The Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	1,219	1,469	1,219	1,469
Other debtors	1	9	1	9
Prepayments and accrued income	390	391	383	385
	1,610	1,869	1,603	1,863

15 Creditors: amounts falling due within one year

	The group		The Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loans	1,001	1,224	1,001	1,224
Trade creditors	1,275	1,115	1,264	1,105
Amounts owed to subsidiaries	-	-	130	90
Taxation and social security	247	297	247	297
Other creditors	987	1,029	982	1,023
Accruals and deferred income	1,722	2,642	1,663	2,656
	5,232	6,307	5,287	6,395

16 Creditors: amounts falling due after one year

	The group		The Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amount due between two and five years:				
Bank loans	4,873	5,740	4,873	5,740
Deferred income	18	24	18	24
	4,891	5,764	4,891	5,764
Amounts due after five years:				
Bank loans	6,161	6,633	6,161	6,633
Loans from NHS	50	50	50	50
Amounts due under finance leases	2,016	2,011	2,016	2,015
Deferred income	180	1,885	180	1,881
	13,298	16,343	13,298	16,343
Secured creditors included in Notes 15 and 16	12,035	13,597	12,035	13,597

Brendoncare purchased the Springfield site, Tooting, from the National Health Service for £1.6 million in 1989, wholly funded by a capital grant from the NHS. The NHS also made a grant towards building Ronald Gibson House on that site, bringing the capital grants to £1.75 million in total, secured by a charge on the property. As explained in Note 11, these grants were treated as deferred income until this financial year when they were released following the disposal of Ronald Gibson House.

16 Creditors: amounts falling due after one year (continued)

Bank loans

Each of the bank loans is secured by a first legal charge over one or more specified properties.

The loans are on a mix of fixed and variable rate terms and are repayable by instalments over the period 2014 to 2041. Sterling interest rate swaps entered into for the period 2020 to 2024 effectively convert part of the debt to fixed rate terms, as follows:

In £'000	2022/23	2021/22
Principal	£7,500	£10,000
Fixed interest rate	1.28%	1.26%

In £'000	Expires within 1-5 years	Notional principal £7,500	Fair value asset 249	Fair value liability -
Pay fixed for variable (3 month SONIA)				

Loans from the National Health Service

The Old Parsonage, Otterbourne

The loan agreement with Winchester Health Authority in respect of its loan of £50,000 stipulates that, in the event of the Otterbourne property being sold, or ceasing to be used as a Brendoncare home, the loan becomes repayable. The loan is non-interest bearing.

Coronavirus Loan

In July 2021, Brendoncare drew down a £2m floating rate basis Coronavirus Business Interruption Loan repayable in July 2027 secured by a legal charge over specified property. We settled the loan in full in the first quarter of the 2023/24 financial year.

Finance leases

Finance leases are secured over the assets to which they relate.

17 Interest rate swap liability

	The group		The Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Opening balance	120	221	(120)	221
Fair value movement	(369)	(101)	(129)	(101)
	(249)	120	(249)	120

The interest rate swaps liability reflects the movement in the fair value of the interest rate swaps.

18 Deferred income

Deferred income comprises fee income paid in advance and deferred gain on the disposal of the apartments at Otterbourne Hill. Deferred income on the NHS grant as detailed in note 11 was released during the financial year.

	The group		The Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	2,408	2,431	2,408	2,431
Amount released to income in the year	(2,211)	(521)	(2,211)	(521)
Amount deferred in the year	24	498	24	498
Balance at the end of the year	221	2,408	221	2,408

19a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	27,020	2,637	29,657
Net current assets/(liabilities)	2,880	1,213	72	4,165
Long term liabilities	-	(13,298)	-	(13,298)
Net assets at the end of the year	2,880	14,935	2,709	20,524

The balance of designated funds includes the interest rate swap reserve within long term liabilities.

19b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	30,911	3,327	34,238
Net current assets/(liabilities)	2,662	(1,901)	62	823
Long term liabilities	-	(16,343)	-	(16,343)
Net assets at the end of the year	2,662	12,667	3,389	18,718

20a Movements in funds (current year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers and other income and expenses £'000	At the end of the year £'000
Restricted funds:					
Alton	44	-	(2)	-	42
Tooting	649	-	(649)	-	-
East Grinstead	838	-	(26)	-	812
Knightwood	327	-	24	-	351
Otterbourne Hill	1,322	-	(29)	-	1,293
Other funds	209	586	(584)	-	211
Total restricted funds	3,389	586	(1,266)	-	2,709
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	975	-	(27)	-	948
Sinking funds	3,253	250	(21)	-	3,482
Operations fund	9,396	26,432	(24,443)	(369)	11,016
Total designated funds	13,624	26,682	(24,491)	(369)	15,446
General funds	2,662	218	-	-	2,880
Total unrestricted funds	16,286	26,900	(24,491)	(369)	18,326
Interest rate swap reserve	(957)	-	77	369	(511)
Total funds	18,718	27,486	(25,680)	-	20,524

20b Movements in funds (prior year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Alton	46	-	(2)	-	44
Tooting	681	-	(32)	-	649
East Grinstead	864	-	(26)	-	838
Knightwood	334	-	(7)	-	327
Otterbourne Hill	1,350	-	(28)	-	1,322
Other funds	223	803	(817)	-	209
Total restricted funds	3,498	803	(912)	-	3,389
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	1,002	-	(27)	-	975
Sinking funds	3,060	251	(58)	-	3,253
Operations fund	10,842	23,278	(24,847)	123	9,396
Total designated funds	14,904	23,529	(24,932)	123	13,624
General funds	2,684	-	-	(22)	2,662
Total unrestricted funds	17,588	23,529	(24,932)	101	16,286
Interest rate swap reserve	(758)		(98)	(101)	(957)
Total funds	20,328	24,332	(25,942)	-	18,718

Purposes of restricted funds

Restricted funds are those received by Brendoncare for a specific purpose as determined by the donor. Many of these have been used to support the building of care homes.

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2023

20b Movements in funds (continued)

- a) Other funds:
During the year Brendoncare Clubs received a grant of £62,000 (2022:£38,000) from the National Lottery Community Fund towards the Community Support Services. This is included within other funds.

Grants of £25,000 and £10,000 have been received from the Gerald Palmer Eling Trust and Sun Life of Canada Trust towards the Community Support Service and reopening of Clubs respectively.

Purposes of designated funds

Designated funds are those relating to the properties used to generate income for The Brendoncare Foundation, which have not been restricted in any other way. Without these properties, Brendoncare would be unable to meet its charitable aims.

- b) Paul Woodhouse Fund - This fund comprises the balance after depreciation of the historic investments made in several properties. In the event of disposal of any of these properties the Trustees have, and would intend to, re-invest in further capital development.
- c) Sinking funds - these funds relate to the reserves for any capital repairs required to the leasehold apartments. The balances on 31 March 2023 stood at £1,615,000 (2022: £1,513,000) for Mary Rose Mews £649,000 (2022: £649,000); for Old Parsonage Court £930,000 (2022: £827,000); for Knightwood Mews and £288,000 (2022: £265,000) for Stildon Mews.
- d) Operations Fund - The remaining fixed assets of Brendoncare, which are almost entirely devoted to delivery of its charitable activities, along with the cash, other assets and liabilities required to support these operations activities, are designated as they will remain invested for this purpose. This fund includes the remaining income and expenditure of Brendoncare that are not otherwise restricted or designated. The liabilities include bank loans and capital grants and loans from the National Health Service which, in substance, are only repayable in the event that the related care home ceases to be owned and operated by Brendoncare. The balance of this fund on 31 March 2023 was £11,233,000 (2022: £9,396,000).

General funds

- e) The balance of this fund on 31 March 2022 stood at £2,880,000 (2022: £2,662,000). It comprises surplus cash balances which are retained for future investment in care homes. All fixed assets that have not been funded by restricted funds are in designated funds.
- f) **Interest rate swap reserve**
The balance of this fund on 31 March 2023 stood at a deficit of £510,000 (2022: deficit £956,000). It comprises the fair value movement in the interest rate swaps, and the charge representing the difference in the variable interest rate on the loans compared with the fixed rate achieved through the swap.

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Less than one year	5	5	2	2
One to five years	20	20	4	5
Over five years	30	35	-	-
	55	60	6	7

The Charity's total future minimum lease payments under non-cancellable operating leases were nil

22 Capital commitments

At the balance sheet date, the group had zero capital commitments. In 2022 group had £483,000 capital commitment in relation to St Giles View equipment.

23 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

THE BRENDONCARE FOUNDATION

England & Wales - Charity number 326508

Accounts

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2022



The Brendoncare Foundation

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Victoria Road
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Email: enquiries@brendoncare.org.uk
www.brendoncare.org.uk

Company no: 01791733

Charity no: 326508



The Brendoncare Foundation

Contents

For the year ended 31 March 2022

Contents	Pages
Reference and administrative details	2
Report of the Trustees	4
Independent auditor's report	21
Consolidated statement of financial activities (incorporating an income and expenditure account)	25
Balance sheets	26
Consolidated statement of cash flows	27
Notes to the financial statements	28

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2022

Company number 1791733

Country of incorporation: England and Wales

Charity number 326508

Country of registration: England and Wales

Registered office and operational address
The Old Malthouse
Victoria Road
Winchester
SO23 7DU

Patron Her Royal Highness The Countess of Wessex GCVO

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Joe MacHale	Resigned 31 st August 2021
Philip Dowson	Chair of Board from 1 st September 2021
Lee-Ann Fenge	
Fay Gillott	Chair of Development Committee
Sarah Hobhouse	Chair of Care and Clinical Governance Committee
Ian Jacobs	
Kellyn Lee	Resigned 8 th February 2022
Mark Pullen	Resigned 1 st April 2022
David Parfitt	
Helen Roberts	
David Stern	Resigned 17 th February 2022
Phillip Sykes	Chair of Finance and Audit Committee
Gordon Tillet	Chair of People Committee
Jane Williams	
Katherine Christie	

Vice Patrons	Nick Bosanquet	Sir Anthony Newman-Taylor
	Janet Budd	Lady Elisabeth Ribeiro
	James Hill	Joe MacHale
	Marie-Therese Hill	Simon Theobalds
	The Viscount Lifford	Harvey White (Chair)
	Nick McAndrew	Peter Willan
	Jilly Morton	Martin Williams

Bankers Barclays Bank PLC
50 Jewry Street
Winchester
SO23 8TN

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2022

Solicitors	Coffin Mew LLP Lakeside, North Harbour Portsmouth, Hampshire, PO6 3EN														
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108-114 Golden Lane London EC1Y 0TL														
Senior Leadership Team	<table><tr><td>Chief Executive</td><td>Marianne Wanstall</td></tr><tr><td>Chief Financial Officer</td><td>Rachel McIlroy</td></tr><tr><td>Chief Operating Officer</td><td>Zoe McCallum</td></tr><tr><td>Director of Charitable Impact and Community Services</td><td>Samantha Agnew</td></tr><tr><td>Human Resources Manager</td><td>Emma Hansford until 31st July 2021</td></tr><tr><td>Director of Brand and Customer Experience</td><td>Emma Digance</td></tr><tr><td>Director of People and Culture</td><td>Aileen Ohlson from 4th January 2022</td></tr></table>	Chief Executive	Marianne Wanstall	Chief Financial Officer	Rachel McIlroy	Chief Operating Officer	Zoe McCallum	Director of Charitable Impact and Community Services	Samantha Agnew	Human Resources Manager	Emma Hansford until 31 st July 2021	Director of Brand and Customer Experience	Emma Digance	Director of People and Culture	Aileen Ohlson from 4 th January 2022
Chief Executive	Marianne Wanstall														
Chief Financial Officer	Rachel McIlroy														
Chief Operating Officer	Zoe McCallum														
Director of Charitable Impact and Community Services	Samantha Agnew														
Human Resources Manager	Emma Hansford until 31 st July 2021														
Director of Brand and Customer Experience	Emma Digance														
Director of People and Culture	Aileen Ohlson from 4 th January 2022														

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

The Trustees present their report and the audited financial statements for the year ending 31 March 2022.

Reference and administrative information set out on pages two and three forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chief Executive Summary

Across our charity, the social care sector and worldwide, the impact of a global pandemic has been significant. Throughout this, our teams have worked heroically to support and care for all those who need us. Together, we remain committed to developing our services to ensure the best possible support for people in later life of today and tomorrow.

In many ways the year has been challenging. People in later life continue to be at greater risk of the impact of coronavirus, with the effect of the pandemic having made a lasting impression on many people's physical and mental health. There has, however, been much cause for positivity. Our early access to the vaccine rollout offered our residents, members and staff a greater level of protection from the virus, and the accompanying freedoms as living with the virus became more normal.

Our many years of experience enabled us to adapt our services to offer greater support to people and we have been delighted to see our community clubs starting to reopen and our residents enjoying regular visits from loved ones, and days out again. At the start of the pandemic we launched a telephone support service and a range of online clubs to support people in later life in our communities through the lockdowns. We have since found a real need for these services to continue beyond covid times with the loneliness and isolation we all felt during the lockdowns being an everyday reality for many older people. We have integrated these services into our core service portfolio and launched an all-inclusive community membership, which encompasses our full range of services - enabling us to meet our members ever-changing needs.

Over the next few years we will continue to focus on providing the highest quality care and well-being experience for our care home and extra care housing residents while tackling the loneliness that those in later life can face whilst living in the community. We will also expand our service portfolio to support those hardest to reach in our communities, ensuring we can support people through every stage of later life.

None of our work is possible without the outstanding commitment we see every day from colleagues and volunteers across Brendoncare, and we express our heartfelt thanks to them all. The pandemic has not been easy on our people both personally and professionally, and we are awed every day by the contributions made. In January 2022 we were pleased to be able to pay a bonus to every colleague across Brendoncare, and our annual pay review made a substantial step towards every team member earning the real living wage. For 2022-23 we have also set aside an additional £50,000 for colleague benefits and £100,000 for training and development to support colleagues in expanding skills, taking on new responsibilities and career development. We have already started by training 30 colleagues as Mental Health First Aiders, to enable better peer support and awareness.

We thank everyone who has provided help and support throughout the year, to allow us to continue to achieve our aims. Thank you for joining us on our journey thus far.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

OBJECTIVES AND ACTIVITIES

Purpose and Aims

Our mission is to improve the quality of life for older people through the provision of care homes, extra care housing, and social clubs across the South of England.

Brendoncare's goals are:

- Being there – offering the care and support required by care home and mews residents and our members, when they need it.
- Understanding needs – providing individualised responses to needs, led by residents and members.
- Working with others – reaching out to individuals and organisations who share our commitment and with whom we can partner and share expertise.
- Reducing loneliness – creating a family environment of fun and friendship in which everyone can contribute.

The Trustees have taken into account the Charity Commission's guidance on public benefit when reviewing Brendoncare's aims, objectives and activities.

The impact of the pandemic on the lives of the people we exist to serve has led us to review the way in which we support people. We are reducing our geographical area of operation while offering a wider range of services within the communities in which we work, to ensure greater support to people throughout their later life.

This change has led us to review the vision, purpose and values of our organisation and this work will continue through the year.

Activities and Charitable Objectives

During the year Brendoncare has continued to adapt our services to meet the objectives of the charity in light of the COVID-19 pandemic and government guidance.

Brendoncare's principal activities and objectives are:

- Management of care homes in the south of England, to provide quality care in residential settings. In the last year over 500 people received care in our homes.
- Managing and providing financial support to our community services, including our online and face to face volunteer-led community clubs and digital and telephone support, alleviating the impact of loneliness and social isolation for around 1,000 older people.
- Management of five extra care housing services. In the past year we have supported around 140 people in apartments and bungalows.
- The provision of charitable support through our Brendoncare promise to 'Care for Life' in our care homes.

Our Care for Life promise:

In our care homes our Care for Life promise provides security and peace of mind to residents and their families. We promise that we will continue to care for every individual for as long as we are able to meet their care needs, even if a change in financial circumstances means that they are no longer able to pay their full fees.

This promise is a core principle to ensure that once an individual or their family have chosen Brendoncare, they can be assured of our support for as long as it is needed.

For additional reassurance for individuals and families, we make the promise as a condition of our contract. In addition to our excellent reputation as a care provider, this reassurance is also a key factor in many care seekers' decision to choose Brendoncare.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

As a charitable provider, we reinvest any surplus generated into our charitable activities including our care for life promise. Over the last year we have supported over 100 people, at a cost of £800,000.

Care homes & extra care housing:

Across our care homes we offer a full spectrum of care services to meet individual needs including dedicated dementia care, nursing care, respite stays, residential and end of life care.

In our extra care housing people live independently in their own home but with knowledge that we will be available to provide appropriate support should they need it to help them maintain their independence.

As we develop our services, we are focused on co-locating services to enable people to choose to access the care and support they need while remaining with Brendoncare. At Otterbourne Hill we have apartments that enable couples to stay together when one family member is living with dementia, with our support when needed, to enable them to be as independent as possible. Our onsite nursing and dementia care home means that should circumstances change then we can step in with additional support in a place they already call home.

Similarly, at our Alton care home, alongside nursing care, we also provide residential and nursing dementia care, so that colleagues can continue to support an individual as their dementia progresses all within a familiar environment. We were proud this year to open our first overnight visitor bedroom for families, making more difficult times easier for loved ones by providing a place to stay, but with the space to be private. This is particularly helpful for relatives who live a distance away and for those visiting loved ones as they approach the end of their life.

This year we have implemented a customer relationship management system which enables us to provide better support to people who contact us about our services. It will also provide us with greater insight into the needs of care seekers in our communities, ensuring that our services are able to respond to any unmet needs of those who seek support in later life.

During the year we have seen excellent progress on the construction of our new care home St Giles View, Winchester. The home, opening in the first quarter of 2023, has been designed to Brendoncare's high specifications and includes acoustic monitoring technology (for discreet, safe and attentive night time care) and is rated Breeam 'Excellent', placing it in the top 10% for sustainability for rated UK new builds. Brendoncare's community membership will be available offering additional services for relatives of residents, previous respite residents, volunteers and the local community.

Community services, including Brendoncare Clubs:

Brendoncare Clubs is a subsidiary charity of The Brendoncare Foundation providing community clubs for people in later life across Hampshire and Dorset

Until the pandemic hit in March 2020, Brendoncare ran a network of over 100 community clubs providing fun and friendship, and preventing loneliness and social isolation. The pandemic meant we had to quickly find new ways to reach older people living alone at home. Our service adapted at pace to provide telephone support, digital skills training and online clubs – a crucial lifeline when loneliness and isolation was more challenging for those living alone than ever before. During this unprecedented time we made the decision to provide these services for free.

As 2021 progressed and we began to re-open clubs, it became clear that our online and telephone support service would remain crucial for many of our vulnerable members, and so we have invested to expand our community services at Brendoncare.

During the year we launched Brendoncare community membership to provide all-inclusive access to all our community based services including community clubs, online clubs (such as our live cooking for one events, and our Italian culture club hosted by a volunteer in Rome), information sessions, telephone and digital support, events and discount benefits on respite stays in our care homes. Paying members currently contribute £12 per month to use the services as much as they wish. Many people are also supported through free membership including those on means tested benefits, relatives of Brendoncare residents, those who have stayed in our homes for respite care and all Brendoncare volunteers.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

We currently have around 525 registered members, and this number will continue to increase as we fully re-open our community clubs. We continue to support a further 600 who are yet to return to our services fully as we phase our re-opening.

We work in partnership with other organisations to ensure that those who need us most are able to find us and benefit from the best support available. Our surveys show that for many people in later life, their club is their only or primary source of social contact, and our club members confirm that their club is very important to them and has a big impact on their health & well-being. An example of this has been our partnership this year with Southampton University Hospitals working on a research project that has provided training for some of our volunteers to deliver peer-led exercise and review the viability of this approach more widely.

Brendoncare clubs & community services are an important element in Brendoncare Foundation's aim of impacting as many people in later life as possible. These services therefore receive charitable funding from the Brendoncare Foundation to subsidise the cost of the delivery. That support also includes providing financial assistance to individuals who need extra help to be part of their local club for example by funding membership fees or transport costs. This financial support is through the access fund.

The Brendoncare Foundation supports Brendoncare Clubs with the provision of management services at a cost of £397,000 (2021: £247,000). This relates to staff time; including fundraising and finance support and advice.

A funding grant is also provided to bridge the gap between the direct cost of running the service and the income received from subscription income, grants and donations. This year that grant totalled £180,000. As a result of the overwhelming response to our emergency funding appeal, no such grant was required in 2021.

This year, fundraising for Brendoncare Clubs resulted in income of £189,000 (2021: £344,000). 2021 was an exceptional year for income for Brendoncare Clubs, following an outstanding response to an emergency appeal during the pandemic. We would like to thank all those who have supported us in the provision and development of our community services.

Volunteering:

Volunteers are vital members of the Brendoncare team. We value every individual who chooses to generously share their time and skills with us, and we are proud to be recipients of the Investing in Volunteers award, in recognition of our commitment to volunteering at Brendoncare. Volunteers donate not just their time, but also their energy, enthusiasm and skills. Individually and collectively, volunteers enable us to make a real difference to people using our services every day.

During the last year, volunteers in our community services have supported us flexibly as we adapted our services to meet the needs of people in our communities, during the changes in restrictions we all experienced in our own lives. Around 100 volunteers supported people with regular telephone support to ensure we were able to make 10,700 connections to older people during the year, most of whom were living alone at home. A small number of volunteers also supported our digital support and online clubs, bringing people together to combat loneliness, and opening the doors to the opportunities of the internet. As restrictions have lightened and we have been able to open the doors of our clubs, our volunteers have committed to additional training to ensure we have been able to safely bring people back together again.

Our regular care home volunteers were missed by staff and residents alike, as restrictions meant that we had to limit access to our homes. We were delighted to start welcoming people back to our homes in the second half of the year, including regular volunteers who offer friendship and create valuable relationships as well as the many young and talented people who visit us to entertain and share their skills. We are also grateful to those volunteers who support our Central Support Office and those appointed as Trustees.

Charitable focus and fundraising:

The UK population is ageing quickly, with the care and support needs for those in later life outweighing the services available. The pandemic had a greater impact on the lives of older people, and the restrictions on lifestyle for those living in care homes far outweighed those living anywhere else.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Brendoncare is committed to empowering people to live their whole life well. We already impact the lives of over 2,000 people across the South of England, and there is much more to do.

We continue to focus on our charitable programmes, which aim to promote creative solutions to improving the services available to those people in later life in our communities and far beyond:

- Care for life – ensuring older people have access to affordable, high quality health and social care
- Dementia – ensuring all those living with dementia, and their families, have the best possible quality of life throughout their journey
- Community – ensuring everyone in later life feels valued and part of a fun and inclusive community

STRATEGIC REPORT

In preparing this report, the Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 applicable to large companies.

ACHIEVEMENTS AND PERFORMANCE

Operating Review

This year we have built considerably on our knowledge and experience of providing services for people in later life during the Covid-19 global pandemic.

In the 2020-21 financial year our community clubs remained closed all year, and we started the new year in the same position, but with the preparation in place to re-open face to face community clubs as soon as circumstances allowed. We continued to run our community support service to ensure members and volunteers felt supported at all times. Our members received over 10,000 phone calls. Our on-line clubs have become well established and much enjoyed times of the week for members to come together under different circumstances. Around 400 club sessions have been held this way, with over 2,500 on-line attendances. This service remaining in place permanently means that geographical barriers to clubs are broken down and that even those who may not be well enough to leave their homes can attend regularly.

Our new approach to providing a wider range of community services meant we developed a new payment model for those members who contribute each week. From April we consulted on paying for 'Brendoncare Membership' via a simple all-inclusive subscription to all our community services, as well as discount benefits on respite at our care homes. Community Membership launched formally in June 2021 when we started re-opening our clubs. Amongst the first to re-open were Gosport Ping Pong and Fleet & Crookham Welcome, and these clubs are now back to their former success with members attending each week. By the end of the year, we have managed to re-open 34 clubs, with our plans slowed by the arrival of the Omicron variant.

In early 2021 the country experienced a long lockdown, and sadly visiting in our care homes continued to be restricted, with exceptions just for those with loved ones at the end of their life. By the start of the new financial year, we were able to welcome one named visitor for each resident, and crucially, we welcomed the introduction of the 'Essential Care Giver' role for whom, with regular testing alongside our staff, we were able to welcome to visit in residents' bedrooms more often. While we continually supported residents to contact their family by phone or video calls wherever possible, we never lost sight of the importance of face to face visits and continue to work hard to offer as much time for families to be together as possible. During the year we introduced an online visit booking tool so that families can plan ahead and arrange visits at their convenience. While visiting now has fewer restrictions, we still require testing ahead of each visit to protect everyone living in the home and our colleagues. We continue to aspire to the days before the pandemic when our doors were open and friends and family visited as they pleased.

As well as affecting everyday life in our care homes, the pandemic had a significant impact on the number of people living with us. The impact of lockdowns, visitor limitations, new variants and outbreaks and the increased frailty of some people moving to live with us meant that while occupancy has gradually increased during the year, this has not followed a smooth path and we expect to continue to need to be agile in managing changes in occupancy in our care homes.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

As part of our Trustees' review of the geographical coverage of Brendoncare, during the year we closed Brendoncare Chiltern View in Aylesbury. We supported residents and families as they identified new homes, and colleagues as they moved on to new employment. Our team continued to care for the home's residents to the highest standards until the last resident moved out, and we are grateful for their commitment.

We also expected to sell Brendoncare Woodhayes, Exeter during the year, but the sale was delayed due to the arrival of winter and the Omicron variant. We are now progressing the sale with a like-minded care provider and expect the home to transfer to their ownership early in the new financial year.

We are pleased to report that the build of Brendoncare St Giles View in Winchester is progressing well. The build has been impacted by some delays and is now expected to open to residents in the first quarter of 2023. The residents and our colleagues of Brendoncare Park Road will move to the new home once it is open, and our Park Road site will close. St Giles View is purpose built to the highest standards and will provide excellent facilities, including a new dementia household, and acoustic monitoring technology which will discreetly improve overnight care by listening for the quietest sounds. We are pleased to also be installing acoustic monitoring at Brendoncare Otterbourne Hill – this technology is proven to reduce falls by up to 55% and hospital admissions by 20%.

During the year we agreed to transfer the operation of Brendoncare Ronald Gibson House to a new provider who will run the service in the new home adjacent to the current building. We expect this transfer to take place in October 2022.

Having reviewed our plans to operate in a smaller geographical area, we continue to identify future sites for further Brendoncare services. Any future services will also include provision to be able to offer community membership and all associated support services.

Staff

Our people are essential to the high quality provision in our care homes, extra care housing and community services. Nationally, across the sector, social care vacancies have continued to rise and remain above pre-COVID levels. After vacancies decreased early in the pandemic, vacancies are increasing and stood at 10.3% in April 2022, compared with 6.1% in April 2021. At Brendoncare we are experiencing this challenge, and are having to invest greater effort and resource into recruiting and retaining colleagues.

During the year we have restructured our Senior Leadership Team to create a new post of Director of People and Culture who joined in January 2022. She will focus on creating a culture where all colleagues feel valued, supported, happy in their work and able to contribute to Brendoncare's success.

Brendoncare values the development and involvement of staff, with training and development opportunities that recognise the diversity of our workforce, develop careers and recognises individual aspirations. An additional £100,000 has been committed to staff training in the year ahead.

Towards the end of the financial year we conducted an internal communications review to improve our communications with colleagues. We are committed to consulting and communicating with colleagues so that they can contribute to decisions about how we can deliver the best possible service.

During the year we were pleased to host a staff conference. By holding the same event over three days we were able to bring many colleagues together while continuing to run our care homes and community services. This will now become an annual event, and including the presentation of 'Aiming High' awards to colleagues who have performed exceptionally over the last 12 months.

As an equal opportunities employer, Brendoncare treats every employee, volunteer or job applicant fairly, basing every decision solely on the abilities and aptitudes of the individual concerned in relation to the role or training opportunity.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Remuneration Policy

Pay differentials are related to the skill level required, workload, responsibilities, qualifications and external labour market forces. Our policy is that the ratio of the pay of the Chief Executive to the pay rates of the lowest paid member of staff will not exceed 10:1. The ratio is currently 6.18:1.

Pay reviews are undertaken annually, generally at 1 April. The annual review takes into account the following internal factors:

- The financial position and outlook for the business
- The staff turnover rate in general and in specific locations and jobs
- The usage and cost of agency staff
- Any other data that can inform the review

The annual review takes account of the following external factors:

- The general economic outlook, the position of the not-for-profit and care sector labour markets
- The National Minimum Wage and the Living Wage
- The consumer prices index (CPI) and/or other cost of living indices
- The average earnings index (AEI)
- The annual pay survey of the National Care Forum and/or any other appropriate source of relevant benchmarking information
- Any other data that can inform the review

The People Committee take advice, guidance and information from such outside sources as may be necessary to review the pay of senior staff with substantial strategic responsibilities.

We have set up processes to ensure that we are able to meet the needs of Gender Pay Reporting. We are delighted to report a median gap of -0.87% compared to the national average of 9.8% in our latest report. The full report can be viewed on our website, www.brendoncare.org.uk

Impact and Effectiveness

As a charity, the positive impact that we are able to have on the lives of the people we exist to support is crucial to our choices and decision making. During the year, we restructured the Senior Leadership Team to include the role of Director of Charitable Impact & Community Services, and we will be focusing in this area in more detail in the year ahead.

Brendoncare measures the quality of care delivery through regular internal audits. Care Key Performance Indicators are monitored by the Care and Clinical Governance Committee. During the year all Registered Services (including Domiciliary Care) received a BCF Quality Assurance audit twice as well as monthly provider visits.

Woodhayes received an in person CQC Inspection with a very good result. Froxfield received a telephone monitoring call as per CQC's updated monitoring regime. All registered services receive a monthly risk review by CQC with no areas of concern found. Currently all 12 registered services are rated good by CQC.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Energy and carbon reporting

Brendoncare has collected evidence of the charity's environmental impact in accordance with the Streamlined Energy and Carbon Reporting (SECR) guidance. The data for the 12 months to 31st March 2022 is shown below.

During this period, energy usage totalled 5,498,046 kWh (2021: 6,483,167 kWh) which can be analysed further as follows:

- Electricity – 2,221,872 kWh (2021: 2,401,082)
- Gas – 2,945,690 kWh (2021: 3,529,057)
- Transport – 330,484 kWh (2021: 256,229)

Energy usage for electricity and gas is based on meter readings for actual consumption during the reporting period. Energy usage has decreased due to the closure of Brendoncare Chiltern View during the year.

The figure noted above for transport relates solely to staff use of privately owned vehicles for business use, where Brendoncare has reimbursed the cost of this mileage. The usage for transport is based on the number of travel miles reimbursed to staff during the period.

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO₂e) for the reporting period was 1,113 tonnes (2021: 1,208 tonnes). This works out at a ratio of 3.0 tonnes per bed based on 402 beds available across all Brendoncare sites (2021: 3 tonnes).

Recommendations resulting from the ESOS audit and actions taken to improve energy efficient include:

- Developing a staff energy awareness campaign – including a September switch off with a prize for the best performing home
- Replacing existing lighting with LED energy efficiency lighting
- Fitting insulation to piping and pipe joints where not already in place

We have implemented a hybrid working policy meaning that office based colleagues now work from home on some days each week. Many meetings are now being conducted via Zoom

Our new care home, Brendoncare St Giles View is being built to be rated Breeam excellent, meaning it is in the top 10% for sustainability for UK new builds.

Other

Having good business relationships helps to ensure the smooth running of the charity and we are committed to working to a fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity.

The Board and senior management team regularly discuss the nature of relationships with key stakeholders and have clear engagement processes with suppliers, residents and members. We agree payment terms with all our business partners.

We recognise that sometimes things go wrong and Brendoncare has established a complaints policy and a process for ensuring all complaints are reviewed and addressed appropriately.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities and Income and Expenditure Account is set out on page 21. The net assets at the end of the year stood at £18,718,000 (2021: £20,328,000) and principally represents our investment in care home buildings. Of the balance of net assets, £2,662,000 is available as free cash.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

The operating result for the year is shown in the table below:

	31 st March 2022	31 st March 2021
Net movement in funds	(£1,610,000)	(£804,000)
Swaps adjustment	(£101,000)	(£49,000)
Other gains/expenses	-	£961,000
Operating (Loss)/ result	(£1,711,000)	£108,000

The loss year on year demonstrates the challenging operating conditions that Brendoncare has faced as a result of the pandemic, starting the year with occupancy around 10% lower compared to usual levels, similar to that experienced by the sector.

During the year, an investment in marketing and a customer relations team has resulted in increasing occupancy levels, with levels near normal by the end of the financial year. It is clear that the impact of the pandemic remains, with care seekers needing more support to make the decision to move, those needing care staying at home for longer and therefore coming to us with greater needs, and the understandable concerns of family members around visiting restrictions.

We have continued to experience significant pressures on our costs during the year with additional staff costs to cover staff who have had to self-isolate, and costs to employ additional team members to facilitate the vital testing programme required to keep our services safe. The implementation of vaccination as a condition of employment had an enormous impact on resource and costs for Brendoncare. While we have been committed to achieving the highest possible vaccination levels across our workforce, in order to protect everyone who lives and works in our care homes, we appealed to the government to allow time for this, alongside the implementation in the NHS. Ultimately, after spending countless hours to meet with demands of this policy, and dismissing some experienced and committed colleagues, the policy was abolished when it became clear the impact on the NHS would be too great. The negative impact on adult social care providers was significant, and we sincerely hope that more thorough consideration and sensible timelines are applied to future government decision making.

The accounts include receipts totalling £655,000 (2021: £1,142,000) for COVID-19 support and infection control funds provided through the local authorities and NHS. Without this support, the accounts would show an operating loss of £2,366,000.

The Brendoncare Foundation supports our clubs and community services by donating the support services of central office staff, including the fundraising team. A funding grant is also provided to bridge the gap between the direct cost of running the service and the income received from subscription income, grants and donations. This year that grant totalled £180,000. As a result of the overwhelming response to our emergency funding appeal, no such grant was required in 2021.

During the year, The Brendoncare Foundation has provided charitable support totalling £1,211,000 (2021: £1,043,000), including Care for Life and provision of management services to Brendoncare Clubs.

GOING CONCERN

The Trustees have reviewed the financial performance in the year to 31st March 2022 and also the financial budget to 31st March 2023 as well as financial and cash flow forecasts beyond this date.

Due to the continuing impact of the pandemic the Charity has made a loss in the year to 31st March 2022. It did, however, maintain substantial cash balances of £5,261,000, including cash designated to meet the obligations we have to the leaseholders of the apartments. This cash level is sufficient to meet the operating cash flow needs of the Charity for the coming 12 months and beyond; in the current year there has been a net outflow of £1,850,000 (excluding CBIL drawdown) so even if this level of outflow were to continue, the balance would be sufficient for at least 12 months from the date of signing this report.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

The budget for the coming 12 months anticipates an increase in occupancy as the market gains more confidence in the care home sector and we begin to recover from the pandemic. There are clear organisational objectives focussing on how this will be achieved. There are also expected to be further receipts of infection control funds to continue to support some of the additional costs being incurred for the ongoing testing requirements of all staff, residents and visitors.

In agreeing the budget the trustees consider the financial impact of a number of scenarios including:

- 10% reduction to the budgeted occupancy
- 20% reduction to budgeted fundraising income
- 3% increase to budgeted operating costs

They concluded that Brendoncare holds sufficient reserves to be able to absorb the impact of these scenarios should they occur.

Trustees have a reasonable expectation that Brendoncare has adequate resources to continue its operations for the foreseeable future and therefore concluded that it continues to be appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Assets and Investments

Brendoncare's care homes are its principal assets. The changes in fixed assets during the year are set out in note 12.

The Trustees have wide investment powers conferred on them by the Memorandum of Association. In practice, however, these powers are little used as Brendoncare does not have any surplus funds, after meeting its charitable support requirements, with which to acquire long-term investment assets other than additions to its care asset base.

Temporary surpluses are invested in short-term cash deposits, and short-term property investments arise from time to time in the development of close care or total care living schemes. No such investments have been made during the financial year.

Cash, Borrowings and Interest

Brendoncare maintains cash resources sufficient to ensure the safe and continuous running of the charity. The operating costs in the year to 31st March 2023 are expected to be £1,800,000 a month (£2,000,000 in the current year). Brendoncare's policy is to maintain cash resources sufficient to meet these operating cash flows for a minimum of 2 months. We are also required by our banking covenants to hold a minimum of £4,000,000 in cash.

Brendoncare's financial position at the end of the year remained strong. Net debt increased to £10,400,000 (2021: £9,573,000) as a result of CBIL loan in the year. Net assets have reduced to £18,718,000 (2021: £20,328,000) due to the operating loss made this year.

Brendoncare's sterling bank debt of £13,597,000 (2021: £12,623,000) has maturity dates between 2023 and 2027 and is, in effect, a mix of fixed and variable interest rate loans. In managing Brendoncare's risks the Trustees consider that it is appropriate to mitigate the short-term risks to Brendoncare arising from possible adverse changes in interest rates, through the use of sterling interest rate swaps on a proportion of the borrowings. These are closely matched to the underlying debt profile. With the use of swaps, 73% of Brendoncare's bank debt as at 31 March 2022 has been converted, in effect, to fixed interest terms. Further information regarding the applicable interest rates is included within note 17.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Reserves Policy

Brendoncare requires significant property assets in order to meet its charitable aims. Of the total reserves of £18,718,000, £13,729,000 represents property assets net of the loan borrowings set against the properties to which they relate (property assets of £27,326,000 less bank loans including swaps adjustment of £13,597,000). These are included as designated reserves to more accurately reflect the funds available in cash or that can be easily liquidated for use to meet the operating needs of the charity.

The Charity holds funds in relation to the sinking fund balances which we are obligated to hold for the leaseholders of the apartments to which they relate, in order to meet our obligations under the lease. These funds are included within designated funds and total £2,538,000.

Brendoncare holds sufficient unrestricted reserves to meet its charitable objectives in the short term. Free cash available for this purpose at 31st March 2022 totalled £2,662,000, (i.e. about 6 weeks operating costs).

Fundraising Practices

As part of our commitment to best practice, Brendoncare adheres to the standards set by the Fundraising Regulator and the Institute of Fundraising.

We aim to ensure that our fundraising is respectful, open, honest and accountable to the public. We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of noncompliance with the requirements of the fundraising code of practice and no complaints were received by the charity regarding fundraising activities.

Our fundraising policy clearly states all steps that should be followed in order to protect vulnerable people when offering support to the charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

The Trustees periodically review fundraising standards and compliance as part of the Board meetings.

FUTURE PLANS

In 2022 we are setting out a new future for Brendoncare; one where we ensure that whoever and however someone comes into contact with Brendoncare – whether as a member, resident, volunteer or colleague – they are able to live their life to the fullest potential, where and how they choose. Our purpose must put people at its heart and make sure that we are empowering, inclusive and understanding.

We plan to:

- address the challenges of growing loneliness and isolation in later life
- help people maintain and benefit from good physical, mental health and well-being
- tackle ageism, the stigma of older age, and foster inter-generational connections
- play our part in providing quality accommodation that is appropriate for people's needs

Our objectives support these goals, as well as our strategic plans:

- Providing services within a clearly defined geography, using our resources and people to reach as many people as possible within that geography
- Connecting our care homes, community services and other accommodation options, so the people we support can easily access our help whenever they need it, and so that assistance can adapt along with their needs
- Investing in buildings and technology to make connecting and communicating easier, allowing us to improve the quality of our services
- Being clear about our charitable objectives and how our charity can have the most impact on our beneficiaries.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Our plans for the year ahead move us forward on all of these points, whilst also taking into account our current challenges:

- The continuing challenges presented by the pandemic of maintaining high occupancy in our care homes. High Covid case levels towards the end of the financial year were a stark reminder of the times we operate in, with the potential of outbreaks limiting our opportunity to welcome new people.
- Significant cost increases (utilities, insurance, inflation, NI, National Living Wage)
- The challenges associated with recruiting colleagues to a sector that was already under resourced before the pandemic.

So: our objectives for the year ahead are:

Driving sustainability; both financial and people-focused, that supports our charitable objectives

- Investing in staff benefits and training for our colleagues
- Improving communications within Brendoncare
- Recruiting more volunteers to help in our services
- Helping more people to live in Brendoncare's homes
- Reviewing how we provide activities to ensure every day is well lived

Creating a foundation for future growth

- Opening St Giles View
- Supporting people in the communities around our clubs and homes, through the continued roll out of Brendoncare community membership
- Transferring Woodhayes and RGH to their new providers
- Getting more feedback from customers & colleagues, and improving because of it
- Developing our vision, values and brand

Investing in technology to support better ways of working

- Installing acoustic monitoring
- Launching the new HR & payroll system
- Using Found CRM system to help people move to our homes
- Measuring our impact on people's lives.

PRINCIPAL RISKS AND UNCERTAINTIES

Brendoncare maintains a risk register which is reviewed regularly by the Senior Leadership Team. The major risks to which Brendoncare is exposed are formally reviewed twice a year by the Board, and once annually by each of the Finance and Audit Committee and the Care and Clinical Governance Committee, quarterly in all. Systems are in place to manage those risks, and the implementation and effectiveness of those systems are reviewed regularly.

Key risk:	How managed:
COVID-19: Impact of the ongoing pandemic on the well-being of staff, residents, mews tenants, members and volunteers as well as the impact on costs and reduced occupancy on financial sustainability.	Two years into the pandemic, our teams are now adept at managing services for those in later life within the fluctuating concerns caused by coronavirus. The appropriate use of PPE, testing and infection control measures are embedded into routine practice within Public Health England guidelines.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Key risk:	How managed:
	Our care homes are now regularly welcoming visitors within current guidelines, with additional measures in the instance of an outbreak. Progress has been made on improving occupancy with expectations to return to pre-pandemic levels during the new financial year. Customer relations team in place to ensure agility in managing change within current climate. Staff and volunteer communication and well-being is paramount and we are ensuring that all staff have access to any support they may require to support their mental well-being at this time, including our Employee Assistance Programme and the training of 30 colleagues as Mental Health First Aiders. Regular communication is maintained with all those using our services. We continue to signpost to other organisations where additional support and guidance is required.
Service quality: Delivering quality, relevant and accessible services that residents, mews tenants and club members want, at affordable prices, both now and into the future.	During the year we added a Customer Experience function to our leadership team to drive the quality of experience for all those using Brendoncare services, both directly, and for those whose loved ones we support. Informal feedback is welcomed. Our surveys are undertaken with club members, residents and their relatives and extra-care residents in order to provide us with important information about what they would like to see to assist with shaping the future of our services, and to continue to meet the needs of those who use them. During the year we introduced Brendoncare community membership to provide a range of community based services at an affordable price, with charitable support through our access fund for those on low income. The quality of our community membership provision is reviewed at monthly Charitable Impact meetings. In the next year we will embed new organisational values, as part of our programme to develop our people whose everyday contribution underpins the quality of our services.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Key risk:	How managed:
People: Ensuring we have the right people with the right skills throughout the organisation to deliver the quality of services on which residents and club members can depend.	During the year we have welcomed a Director of People and Culture to our leadership team to ensure the people who support are services each day are championed and supported to be the best they can be in their role. In the next year we will continue to invest in our people with a review and development of our employee benefit provision, additional investment in training and the implementation of a new HR & payroll system. We will continue to engage with colleagues, including through our annual all colleague conference. At a time when there are many vacancies in social care we have chosen to invest in centralising our recruitment function to ensure our care homes teams are well appointed with colleagues. We continually monitor recruitment and conduct interviews with leavers to ascertain what we can do better. Ensuring all staff and volunteers receive the required training and inductions to enable them to deliver the quality of service that we expect for residents and club members. In the year ahead we will invest in volunteering as part of our commitment to service quality and charitable impact.
Financial Sustainability: Managing our finances in a challenging environment, to ensure that we can continue to make an impact in the future and can invest in growth.	Occupancy has improved in the last 12 months with the investment in a Customer Relations Team and a CRM system to support the sales process. Performance is regularly reviewed at a home and corporate level through Business Progress Review meetings. Forecasts are prepared and monitored monthly to ensure any financial issues are identified and corrective action can be taken promptly. In the year ahead our focus remains on managing our costs around people, by investing in our permanent workforce and reducing the impact of agency staffing, both financially and on quality. Targets are set and regularly reviewed. We remain focused on maintaining sufficient cash flow during this time of continued uncertainty.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Key risk:	How managed:
Regulatory Compliance: Meeting the requirements of regulators including the CQC, the charity commission, and the fundraising regulator.	Internal quality audits are performed regularly for all services to ensure they meet the standards required by CQC. Internal policies and procedures for data protection, fundraising, health and safety and other areas are reviewed regularly to ensure regulatory compliance is maintained. Reporting and sharing learning from data breaches is embedded in practise. New systems implemented or in planning to improve data management and compliance.
Reputation: Demonstrating the values of Brendoncare and meeting ethical expectations of residents, club members, housing tenants, families, staff, volunteers and donors. Responding effectively to incidents that can damage reputation.	We regularly seek feedback on our services through surveys and external reviews. We have a documented complaints procedure in place to ensure that, should the need arise, they are appropriately addressed. Staff are regularly reminded of their responsibilities with regard to safeguarding and whistle-blowing policies. Trustee training on safeguarding is conducted, and regular reviews in this area involving trustees and the leadership team drive training and policy reviews.
Managing change: Supporting capacity to develop, grow, innovate and change to remain fit for future purpose whilst embracing technology and digital skills. Driving Transformation in response to both external changes (market expectations, NHS and Social Care reforms) and the internal needs such that we drive up service quality, drive down costs and provide the services most appropriate for those we serve.	Annual and longer term plans are documented and shared with staff to enable Brendoncare to manage and support any necessary change. Project plans are documented for any significant changes to existing services. Project management software implemented to aid communication and collaboration.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 14 February 1984 and registered as a charity on 19 March 1984.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Governance and Management

The Trustees are Directors for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 2011.

The Trustees are required to be members of Brendoncare and are elected by approval of the members. The Board meets at least six times in a calendar year to agree strategic and policy matters, to approve investment projects and to review the operational performance of Brendoncare. During the year, we had a mix of online via video conferencing and in person meetings.

The Charity has four Committees which are delegated certain responsibilities from the Board and meet at least quarterly to review these: Finance and Audit, Care & Clinical Governance, Development, and People (formerly Remuneration). Responsibility for day to day operations is delegated to the Chief Executive, working within the framework of the approved strategy and business plan.

The Board met ten times in the year whilst, the Committees met as follows during the year to 31st March 2022:

- Care & Clinical Governance Committee – four meetings
- Finance and Audit Committee – six meetings
- Development Committee – seven meetings
- People Committee – two meetings

As part of its governance procedures, the Board regularly reviews the skills mix of the Board and plans for any future retirements.

A Trustee appointed by the Board is appointed for a three-year term and is eligible for re-election at the end of this term. The Trustees have adopted a policy of limiting the total time in office to nine years, with certain exceptions for Committee Chairs.

Trustees receive induction training provided by Brendoncare's staff, and attend regular development sessions, provided by staff and third-party experts, to enhance their understanding of issues faced by the charity. On appointment, Trustees receive a handbook containing a broad range of information aimed at assisting them to gain a deeper and more structured understanding of their role and of Brendoncare, and this is updated regularly.

Brendoncare reviews its governance arrangements regularly by assessing itself against the criteria set out in various publications, including the Charity Commission's Charity Governance Code, and establishing an improvement programme based upon its findings.

In the event of a winding up, the members are liable to contribute an amount not exceeding £1 each.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2022

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) are responsible for preparing the report of the Trustees including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP were reappointed as the charitable company's auditor and have expressed their willingness to continue in that capacity.

The report of the Trustees which includes the strategic report has been approved by the Trustees on 23rd August 2022 and signed on their behalf by

Philip Dowson
Chairman of Trustees

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinion

We have audited the financial statements of Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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

Independent auditor's report

To the members of

The Brendoncare Foundation

material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Independent auditor's report

To the members of

The Brendoncare Foundation

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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

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

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

The Brendoncare Foundation

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)
20 September 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Brendoncare Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Income from:							
Donations and legacies	2	113	148	261	231	197	428
Coronavirus Job Retention Scheme	2	49	-	49	172	-	172
Charitable activities							
Care Homes and Housing with Care	3	23,339	-	23,339	24,106	-	24,106
Friendship and well-being clubs	3	28	-	28	15	-	15
Coronavirus support grants	3	-	655	655	61	1,081	1,142
Investments	4	-	-	-	4	-	4
Total income		23,529	803	24,332	24,589	1,278	25,867
Expenditure on:							
Raising funds	5	209	-	209	266	-	266
Charitable activities							
Care Homes and Housing with Care	5	24,389	821	25,210	23,778	1,245	25,023
Friendship and well-being clubs	5	533	91	624	293	177	470
Other expenditure	7	-	-	-	961	-	961
Total expenditure		25,131	912	26,043	25,298	1,422	26,720
Net income/(expenditure) for the year and Net income before other recognised gains and losses	6	(1,602)	(109)	(1,711)	(709)	(144)	(853)
Valuation of interest rate swaps	18	101	-	101	49	-	49
Net movement in funds		(1,501)	(109)	(1,610)	(660)	(144)	(804)
Reconciliation of funds:							
Total funds brought forward		16,830	3,498	20,328	17,490	3,642	21,132
Total funds carried forward		15,329	3,389	18,718	16,830	3,498	20,328

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

The Brendoncare Foundation

Balance sheets

Company no. 01791733

As at 31 March 2022

		The group		The charity	
	Note	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	12	34,238	35,012	34,158	34,918
		34,238	35,012	34,158	34,918
Current assets:					
Debtors due within one year	15	1,869	1,848	1,863	1,863
Cash at bank and in hand		5,261	5,111	5,209	4,971
		7,130	6,959	7,072	6,834
Liabilities:					
Creditors: amounts falling due within one year	16	(6,307)	(5,971)	(6,395)	(5,953)
Net current assets		823	988	677	881
Total assets less current liabilities		35,061	36,000	34,835	35,799
Creditors: amounts falling due after one year	17	(16,223)	(15,451)	(16,223)	(15,457)
Interest rate swap liability	18	(120)	(221)	(120)	(221)
Total net assets	20	18,718	20,328	18,492	20,121
Funds:	21				
Restricted income funds		3,389	3,498	3,298	3,421
Unrestricted income funds:					
Designated funds		13,624	14,904	13,624	14,774
General funds		2,662	2,684	2,527	2,684
Interest rate swap reserve		(957)	(758)	(957)	(758)
Total unrestricted funds		15,329	16,830	15,194	16,700
Total funds		18,718	20,328	18,492	20,121

Approved by the Trustees on 23 August 2022 and signed on their behalf by

Philip Dowson
Chairman

Phillip Sykes
Trustee

The Brendoncare Foundation

Consolidated statement of cash flows

For the year ended 31 March 2022

Reconciliation of net income to net cash flow from operating activities

	2022		2021	
	£'000	£'000	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,610)		(804)	
Depreciation charges	1,563		1,582	
Swaps valuation movement	101		(49)	
Impairment of fixed assets	-		141	
Increase/(decrease)/ in debtors	(21)		71	
Increase/(decrease) in creditors	(116)		491	
Net cash provided by operating activities		(83)		1,432
Cash flows from investing activities:				
Purchase of fixed assets	(762)		(905)	
Assets under construction	(27)		(35)	
Net cash used in investing activities		(789)		(940)
Cash flows from financing activities:				
Finance lease payment	(52)		(55)	
Repayments of borrowing	(926)		(925)	
Cash inflows from new borrowing	2,000		-	
Net cash provided used in financing activities		1,022		(980)
Change in cash and cash equivalents in the year		150		(488)
Cash and cash equivalents at the beginning of the year		5,111		5,599
Cash and cash equivalents at the end of the year		5,261		5,111

Analysis of cash and cash equivalents and of net debt

	at 1 April 2021 £'000	Cash flows £'000	Other non- cash changes £'000	at 31 March 2022 £'000
Cash at bank and in hand	5,111	150	-	5,261
Total cash and cash equivalents	5,111	150	-	5,261
Loans falling due within one year	924	300	-	1,224
Loans falling due after more than one year	11,749	774	(101)	12,422
Finance lease falling due within one year	(3)	-	8	5
Finance lease falling due after more than one year	2,014	(52)	49	2,011
Total borrowings	14,684	1,022	(44)	15,662
Net debt	(9,573)	(872)	44	(10,401)

1 Accounting policies

a) Statutory information

The Brendoncare Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Malthouse, Victoria Road, Winchester, SO23 7DU.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Brendoncare Enterprises Limited and Brendoncare Clubs on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period as documented in the report of the Trustees.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Further detail on the trustees' assessment of going concern is included in the trustees' report.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from charitable activities comprises of income from the provision of health and social care to older people. For the care homes, it is stated after deducting charitable support by the Foundation, as the latter is regarded as a sales discount, under generally accepted accounting practice, rather than grant expenditure.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations comprise charitable grants received from trusts and statutory bodies, together with legacies and donations mainly from individuals.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

e) Income

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Coronavirus job retention scheme income and other coronavirus support income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. There is more information about their contribution in the Report of the Trustees.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs that are not directly attributable to support, governance or activities for generating voluntary income, are allocated based on a proportion of staff costs.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on an estimate of staff time attributable to each activity.

1 Accounting policies (continued)

k) Interest payable

Interest is accrued and included in the consolidated statement of income and expenditure of the period for which it is receivable or payable. Interest payable includes the accrued interest differentials on interest rate swaps. The swaps are marked to market, with any valuation gains and losses accounted for through the statement of financial activities and are measured at fair value.

l) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are with the group are capitalised in the balance sheet and are depreciated over the lease term. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of financial activities so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental charges payable under operating leases are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Fixed assets are stated at the lower of their cost, being the purchase price together with any incidental expenses of acquisition, and their recoverable amount.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold land	Unlimited
Freehold buildings	50 years
Leasehold buildings	50 years
Building improvements	25 - 50 years
Furniture, fittings and equipment	5 - 8 years
Leasehold improvements	Over the remaining lease
Plant and machinery	25 years
Communications equipment	8 years
Computer equipment and software	3 years
Assets under construction	Not depreciated

Grants for fixed assets are recognised in the financial statements as incoming resources. If the criteria for certainty and measurability are not met, grants are treated as deferred income and disclosed as a liability in the balance sheet.

n) 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.

o) Cash at bank and in hand and current asset investments

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.

p) 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.

1 Accounting policies (continued)

q) Financial instruments

The Charity has both financial assets and financial liabilities of a kind that qualify as basic financial instruments and other financial instruments in the form of interest rate swaps and finance leases.

Interest rate swaps are held to manage the risks arising from fluctuations in interest rates

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

Brendoncare enrolls all employees, who meet the criteria, into the auto-enrolment pension scheme after two months' service.

The group also operates a defined contribution pension scheme for longer serving staff which is closed to new entrants. The scheme is stakeholder compatible.

s) Sinking funds

Sinking funds comprise the contributions, together with interest less attributable expenditure, made upon the surrender of leases in the Charity's housing developments. These contributions are for the cost of renewals, replacements, improvements and other items of capital expenditure not covered by service charges. These funds are classified as Designated Funds in these accounts.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Gifts	108	110	218	227	197	424
Legacies	5	-	5	4	-	4
Hampshire County Council Grant	-	38	38	-	-	-
Sub-total	113	148	261	231	197	428
Coronavirus Job Retention Scheme	49	-	49	172	-	172
	162	148	310	403	197	600

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Care Homes and Housing with Care						
Care fee income	22,800	-	22,800	23,612	-	23,612
Sinking fund income	251	-	251	188	-	188
Other ancillary services	288	-	288	306	-	306
Sub-total	23,339	-	23,339	24,106	-	24,106
Friendship and well-being clubs						
Club subscriptions	18	-	18	-	-	-
Other ancillary services	10	-	10	15	-	15
Sub-total	28	-	28	15	-	15
Coronavirus Support Grants						
Local authority funding grants	-	655	655	61	1,081	1,142
Sub-total	-	655	655	61	1,081	1,142
Total income from charitable activities	23,367	655	24,022	24,182	1,081	25,263

4 Income from investments

	2022 Total £'000	2021 Total £'000
General fund deposits	-	4
	-	4

All income is unrestricted.

Notes to the financial statements

For the year ended 31 March 2022

5a Analysis of expenditure (current year)

	Charitable activities						
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000	Other expenditure £'000	Governance £'000	2022 Total £'000	2021 Total £'000
Staff costs	151	14,982	302	-	54	15,489	15,910
Staff support costs	44	1,332	123	-	-	1,499	1,439
Agency and consultancy	-	2,346	-	-	-	2,346	2,423
Total staff costs (note 8)	195	18,660	425	-	54	19,334	19,772
Repairs & maintenance	-	948	2	-	-	950	1,302
Food and household goods	-	836	3	-	-	839	883
Utilities	-	744	3	-	-	747	664
Interest payable	-	386	-	-	-	386	400
Training costs	2	100	2	-	-	104	121
Stationery and communication costs	1	121	6	-	-	128	119
Transport and travel costs	-	16	16	-	-	32	18
Chemist and medical supplies (PPE)	-	207	-	-	-	207	327
Insurance	-	149	1	-	-	150	136
Regulatory costs	-	73	-	-	-	73	79
Activity costs	-	49	23	-	-	72	39
Staff recruitment	-	120	-	-	-	120	29
Legal and professional	-	49	-	-	-	49	284
Marketing costs	-	21	-	-	-	21	20
Reversal of bad debt provision	-	-	-	-	-	-	(90)
Other costs	11	91	15	-	-	117	53
Disposal/impairment of fixed assets	-	-	-	-	-	-	141
Audit and accountancy	-	-	-	-	39	39	35
	209	22,570	496	-	93	23,368	24,332
Premises and equipment support costs	-	1,031	81	-	-	1,112	806
Depreciation	-	1,205	15	-	-	1,220	1,436
Depreciation in support costs	-	319	24	-	-	343	146
	-	1,524	39	-	-	1,563	1,582
Governance costs	-	85	8	-	(93)	-	-
Total expenditure 2022	209	25,210	624	-	-	26,043	-
Total expenditure 2021	266	25,023	470	961	-	-	26,720

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Charitable activities		Other expenditure £'000	Governance £'000	2021 Total £'000
		Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000			
Staff costs	212	15,151	240	260	47	15,910
Staff support costs	44	1,286	109	-	-	1,439
Agency and consultancy	-	2,423	-	-	-	2,423
Total staff costs (note 8)	256	18,860	349	260	47	19,772
Repairs & maintenance	-	838	4	460	-	1,302
Food and household goods	-	881	2	-	-	883
Utilities	-	661	3	-	-	664
Interest payable	-	400	-	-	-	400
Training costs	1	119	1	-	-	121
Stationery and communication costs	1	111	7	-	-	119
Transport and travel costs	-	15	3	-	-	18
Chemist and medical supplies (PPE)	-	327	-	-	-	327
Insurance	-	135	1	-	-	136
Regulatory costs	-	79	-	-	-	79
Activity costs	-	31	8	-	-	39
Staff recruitment	-	29	-	-	-	29
Legal and professional	-	184	-	100	-	284
Marketing costs	-	20	-	-	-	20
Reversal of bad debt provision	-	(90)	-	-	-	(90)
Other costs	8	36	9	-	-	53
Disposal/impairment of fixed assets	-	-	-	141	-	141
Audit and accountancy	-	-	-	-	35	35
	266	22,636	387	961	82	24,332
Premises and equipment support costs	-	754	52	-	-	806
Depreciation	-	1,422	14	-	-	1,436
Depreciation in support costs	-	136	10	-	-	146
	-	1,558	24	-	-	1,582
Governance costs	-	75	7	-	(82)	-
Total expenditure 2021	266	25,023	470	961	-	26,720

Notes to the financial statements

For the year ended 31 March 2022

6 Net income for the year

This is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Depreciation	1,563	1,582
Interest payable	285	351
Impairment of assets (see note 7)	-	141
Operating lease rentals:		
Property	32	149
Other	3	2
Auditor's remuneration (excluding VAT):		
Audit	34	29
Other services	8	6
	8	6

7 Other expenditure (prior year)

At 31 March 2021, an announcement had been made to close Chiltern View care home in Aylesbury. Costs of £961,000 were accrued in the accounts for the year ended 31 March 2021 in relation to the expected costs of the closure including redundancy costs, dilapidations, legal fees and asset write offs.

8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management

Staff costs were as follows:

	2022	2021
	£'000	£'000
Salaries and wages	15,238	15,404
Redundancy and termination costs (see note 7)	12	260
Social security costs	1,389	1,331
Pension contributions	349	354
Agency staff costs	2,346	2,423
	19,334	19,772

The company operates a defined contribution pension scheme. At the year end, payments totalling £66,000 (2021: £66,000) were outstanding and included within other creditors.

The key management personnel of the charitable company comprise the Trustees and the Management Team as listed on page 3. The total employee benefits including national insurance and pension contributions of the key management personnel were £534,070 (2021: £525,000).

Indemnity insurance is maintained to protect the Charity and to indemnify Trustees, Officers and Staff against the consequences of any neglect or default on their part. The cost involved is £9,828 (2021: £7,000). No Charity Trustee received any remuneration or payment for professional or other services supplied to the Charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,756 (2021: £1,000) incurred by four (2021: one) members relating to attendance at meetings of the Trustees.

Notes to the financial statements

For the year ended 31 March 2022

8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose remuneration, including benefits but excluding pension contributions, fell within the following bands (over £60,000) was:

	2022 No.	2021 No.
£110,000 - £120,000	1	-
£100,000 - £110,000	2	2
£90,000 - £100,000	-	1
£80,000 - £90,000	-	2
£70,000 - £80,000	4	-
£60,000 - £70,000	2	-

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Raising funds	6	6
Care homes	698	710
Friendship and well-being clubs	11	10
Volunteering	1	1
Support and governance	42	40
	758	767

10 Related party transactions

The related parties of The Brendoncare Foundation include the Trustees. Trustees made no restricted donations during the year (2021: £nil). There were no other related party transactions.

11 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Brendoncare Enterprises Limited is not exempt, however it would gift aid any available profits to the parent Charity.

12 Tangible fixed assets

The group

	Freehold property £'000	Long leasehold £'000	Assets under construction £'000	Fixtures, fittings and equipment and leasehold improvements £'000	Computer equipment & software £'000	Total £'000
Cost						
At the start of the year	33,122	2,000	341	9,629	932	46,024
Additions in year	235	-	27	485	42	789
Disposals in year	-	-	-	(319)	-	(319)
At the end of the year	<u>33,357</u>	<u>2,000</u>	<u>368</u>	<u>9,795</u>	<u>974</u>	46,494
Depreciation						
At the start of the year	5,411	103	-	4,991	507	11,012
Charge for the year	620	40	-	704	199	1,563
Eliminated on disposal	-	-	-	(319)	-	(319)
At the end of the year	<u>6,031</u>	<u>143</u>	<u>-</u>	<u>5,376</u>	<u>706</u>	12,256
Net book value						
At the end of the year	<u>27,326</u>	<u>1,857</u>	<u>368</u>	<u>4,419</u>	<u>268</u>	34,238
At the start of the year	<u>27,711</u>	<u>1,897</u>	<u>341</u>	<u>4,638</u>	<u>425</u>	35,012

The closing balance of assets under construction relates to the costs incurred for the redevelopment of The Old Parsonage site.

Land with a value of £6,496,000 (2021: £6,496,000) is included within freehold property and not depreciated; although regular impairment reviews are carried out.

Long leasehold property consists of 7 apartments sold to The Edward Gostling Foundation under a finance lease arrangement.

All of the above assets are used for charitable purposes.

The tangible fixed assets of the Charity comprise 99% of the Group's tangible fixed assets shown in the above table.

13 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Brendoncare Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. The company did not trade in this or the previous financial year and therefore there is not turnover or costs of sales in either year. A summary of the results of the subsidiary is shown below:

	Brendoncare Enterprises	
	2022	2021
	£'000	£'000
Administrative expenses	-	-
Operating profit/(loss)	-	-
Taxation	-	-
Profit/(loss) for the financial year	-	-
Retained earnings		
Total retained earnings brought forward	12	12
Profit/(loss) for the financial year	-	-
Retained earnings	12	12
The aggregate of the assets, liabilities and funds was:		
Assets	12	12
Funds	12	12

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2022

13 Subsidiary undertakings (continued)

The Brendoncare Foundation controls the following charitable company, limited by guarantee, by virtue of being the sole member:

	Brendoncare Clubs					2021 Total £'000
	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	
Income						
Donations and legacies	480	106	586	435	156	591
Charitable activities	28	-	28	16		16
Total income	508	106	614	451	156	607
Expenditure						
Raising funds	99	-	99	143	-	143
Charitable activities	423	91	514	227	177	404
Total expenditure	522	91	613	370	177	547
Net (expenditure)/income for the year	(14)	15	1	81	(21)	60
Reconciliation of funds:						
Total funds brought forward	115	76	191	34	97	131
Total funds carried forward	101	91	192	115	76	191
					2022 £'000	2021 £'000
Funds						
Assets					217	231
Liabilities					(25)	(40)
Net Assets					192	191

During the year, The Brendoncare Foundation made grants to Brendoncare Clubs amounting to £397,000 (2021: £247,000).

14 Parent Charity (The Brendoncare Foundation)

The Brendoncare Foundation's gross income and the results for the year are disclosed as follows:

	2022 £'000	2021 £'000
Gross income	24,117	25,508
Result for the year	(1,503)	(863)

Notes to the financial statements

For the year ended 31 March 2022

15 Debtors

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	1,469	1,518	1,469	1,517
Amounts owed by subsidiaries	-	-	-	23
Other debtors	9	3	9	3
Prepayments and accrued income	391	327	385	320
	1,869	1,848	1,863	1,863

16 Creditors: amounts falling due within one year

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	1,224	924	1,224	924
Trade creditors	1,115	884	1,105	882
Amounts owed to subsidiaries	-	-	90	-
Taxation and social security	297	305	297	305
Other creditors	1,029	977	1,023	970
Accruals and deferred income	2,642	2,881	2,656	2,872
	6,307	5,971	6,395	5,953

17 Creditors: amounts falling due after one year

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amount due between two and five years:				
Bank loans	5,740	4,333	5,740	4,333
Deferred income	24	24	24	24
	5,764	4,357	5,764	4,357
Amounts due after five years:				
Bank loans	6,633	7,145	6,633	7,145
Loans from NHS	50	50	50	50
Amounts due under finance leases	2,011	2,014	2,015	2,014
Deferred income	1,885	1,885	1,881	1,891
	16,343	15,451	16,343	15,457
Secured creditors included in Notes 16 and 17	15,299	14,105	15,299	14,105

Brendoncare purchased the Springfield site, Tooting, from the National Health Service for £1.6 million in 1989, wholly funded by a capital grant from the NHS. The NHS also made a grant towards building Ronald Gibson House on that site, bringing the capital grants to £1.75 million in total, secured by a charge on the property. As explained in Note 19, these grants have been treated as deferred income.

17 Creditors: amounts falling due after one year (continued)

Bank loans

Each of the bank loans is secured by a first legal charge over one or more specified properties.

The loans are on a mix of fixed and variable rate terms (mostly related to LIBOR) and are repayable by instalments over the period 2014 to 2041. Sterling interest rate swaps entered into for the period 2020 to 2024 effectively convert part of the debt to fixed rate terms, as follows:

In £'000	2021/22	2020/21
Principal	£10,000	£8,500
Interest rate	3.0%	3.0%

In £'000	Expires within 1-5 years	Notional principal £10,000	Fair value asset -	Fair value liability £120
Pay fixed for variable (3 month LIBOR)				

Loans from the National Health Service

The Old Parsonage, Otterbourne

The loan agreement with Winchester Health Authority in respect of its loan of £50,000 stipulates that, in the event of the Otterbourne property being sold, or ceasing to be used as a Brendoncare home, the loan becomes repayable. The loan is non-interest bearing.

Coronavirus Loan

In July 2021, Brendoncare drew down a £2m floating rate basis Coronavirus Business Interruption Loan repayable in July 2027 secured by a legal charge over specified property.

Finance leases

Finance leases are secured over the assets to which they relate.

18 Interest rate swap liability

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Opening balance	221	270	221	270
Fair value movement	(101)	(49)	(101)	(49)
	120	221	120	221

The interest rate swaps liability reflects the movement in the fair value of the interest rate swaps.

19 Deferred income

Deferred income comprises fee income paid in advance, deferred gain on the disposal of the apartments at Otterbourne Hill and the NHS grant as detailed in note 17.

	The group		The Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	2,431	2,016	2,431	2,016
Amount released to income in the year	(521)	(102)	(521)	(102)
Amount deferred in the year	498	517	498	517
Balance at the end of the year	2,408	2,431	2,408	2,431

20a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	30,911	3,327	34,238
Net current assets/(liabilities)	2,662	(1,602)	62	1,122
Long term liabilities	-	(16,642)	-	(16,642)
Net assets at the end of the year	2,662	12,667	3,389	18,718

The balance of designated funds includes the interest rate swap reserve within long term liabilities.

20b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	31,551	3,461	35,012
Net current assets/(liabilities)	2,684	(1,733)	37	988
Long term liabilities	-	(15,672)	-	(15,672)
Net assets at the end of the year	2,684	14,146	3,498	20,328

21a Movements in funds (current year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers and other income and expenses £'000	At the end of the year £'000
Restricted funds:					
Alton	46	-	(2)	-	44
Tooting	681	-	(32)	-	649
East Grinstead	864	-	(26)	-	838
Knightwood	334	-	(7)	-	327
Otterbourne Hill	1,350	-	(28)	-	1,322
Other funds	223	803	(817)	-	209
Total restricted funds	3,498	803	(912)	-	3,389
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	1,002	-	(27)	-	975
Sinking funds	3,060	251	(58)	-	3,253
Operations fund	10,842	23,278	(24,847)	123	9,396
Total designated funds	14,904	23,529	(24,932)	123	13,624
General funds	2,684	-	-	(22)	2,662
Total unrestricted funds	17,588	23,529	(24,932)	101	16,286
Interest rate swap reserve	(758)		(98)	(101)	(957)
Total funds	20,328	24,332	(25,942)	-	18,718

21b Movements in funds (prior year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Alton	47	-	(1)	-	46
Tooting	712	-	(31)	-	681
East Grinstead	891	-	(27)	-	864
Knightwood	340	-	(6)	-	334
Otterbourne Hill	1,379	-	(29)	-	1,350
Other funds	273	1,278	(1,328)	-	223
Total restricted funds	3,642	1,278	(1,422)	-	3,498
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	1,031	-	(29)	-	1,002
Sinking funds	2,928	187	(55)	-	3,060
Operations fund	10,987	24,402	(25,074)	527	10,842
Total designated funds	14,946	24,589	(25,158)	527	14,904
General funds	3,260	-	-	(576)	2,684
Total unrestricted funds	18,206	24,589	(25,158)	(49)	17,588
Interest rate swap reserve	(716)	-	(91)	49	(758)
Total funds	21,132	25,867	(26,671)	-	20,328

Purposes of restricted funds

Restricted funds are those received by Brendoncare for a specific purpose as determined by the donor. Many of these have been used to support the building of care homes. The balances are as follows:

- Alton Fund - The balance on 31 March 2022, after depreciation, stood at £44,000 (2021: £46,000), and was fully invested in fixed assets for the Home.
- Ronald Gibson House Fund, Tooting - The balance on 31 March 2022 stood at £649,000 (2021: £681,000), all of which has been used to finance the development of the Home.
- Stildon Fund, East Grinstead - The balance on 31 March 2022 stood at £838,000 (2021: £864,000), which has been used for the development of the Home.
- Knightwood Fund - The balance on 31 March 2022 stood at £327,000 (2021: £334,000), and was fully invested in fixed assets for the Home.
- Otterbourne Hill Fund - The balance on 31 March 2022 stood at £1,322,000 (2021: £1,350,000) which was fully invested in the construction of the new care home.

21b Movements in funds (continued)

- f) Other funds:
During the year Brendoncare Clubs received a grant of £38,000 (2021: £89,000) from the National Lottery Community Fund towards the Community Support Services. This is included within other funds.

Grants of £25,000 and £15,000 have been received from the Gerald Palmer Eling Trust and Sun Life of Canada Trust towards the Community Support Service and reopening of Clubs respectively.

As a result of the COVID-19 pandemic, Brendoncare has received local authority and NHS support by way of COVID grants and infection control funds to support with mitigating the financial impact of the pandemic. These grants included restricted funds totalling £655,000 (£2021: £1,081,000) included in other funds.

Purposes of designated funds

Designated funds are those relating to the properties used to generate income for The Brendoncare Foundation, which have not been restricted in any other way. Without these properties, Brendoncare would be unable to meet its charitable aims.

- g) Paul Woodhouse Fund - This fund comprises the net balance of the Paul Woodhouse Fund amounting to £975,000 (2021: £1,031,000). In the event of disposal of any of the properties in which the Paul Woodhouse Fund was invested, the Trustees would intend to re-invest in further capital development the share of any proceeds attributable to that fund. The fund has reduced by £27,000 in the year as a result of depreciation charged.
- h) Sinking funds - these funds relate to the reserves for any capital repairs required to the leasehold apartments. The balances on 31 March 2022 stood at £1,513,000 (2021: £1,463,000) for Mary Rose Mews £649,000 (2021: £647,000); for Old Parsonage Court £827,000 (2021: £703,000); for Knightwood Mews and £265,000 (2021: £247,000) for Stildon Mews.
- i) Operations Fund - The remaining fixed assets of Brendoncare, which are almost entirely devoted to delivery of its charitable activities, along with the cash, other assets and liabilities required to support these operations activities, are designated as they will remain invested for this purpose. This fund includes the remaining income and expenditure of Brendoncare that are not otherwise restricted or designated. The liabilities include bank loans and capital grants and loans from the National Health Service which, in substance, are only repayable in the event that the related care home ceases to be owned and operated by Brendoncare (see note 17). The balance of this fund on 31 March 2022 was £9,204,000 (2021: £10,842,000).

General funds

- j) The balance of this fund on 31 March 2022 stood at £2,356,000 (2021: £2,684,000). It comprises surplus cash balances which are retained for future investment in care homes. All fixed assets that have not been funded by restricted funds are in designated funds.

k) Interest rate swap reserve

The balance of this fund on 31 March 2022 stood at a deficit of £956,000 (2021: deficit £758,000). It comprises the fair value movement in the interest rate swaps, and the charge representing the difference in the variable interest rate on the loans compared with the fixed rate achieved through the swap.

22 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	5	77	2	3
One to five years	20	20	5	7
Over five years	35	40	-	-
	60	137	7	10

Notes to the financial statements

For the year ended 31 March 2022

22 Operating lease commitments (continued)

The Charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Less than one year	-	24	2	3
One to five years	-	-	5	7
Over five years	-	-	-	-
	-	24	7	10

23 Capital commitments

At the balance sheet date, the group had capital commitments of £483,122 (2021: £nil) in relation to St Giles View equipment.

24 Contingent assets or liabilities

As referred to in note 17, the purchase of the freehold site and part of the construction costs of Ronald Gibson House in Tooting were funded by capital grants made by the NHS in 1989. The contractual arrangements to which Brendoncare was a party in 1989 provided that in certain circumstances Brendoncare would be obliged to repay to the NHS a proportion of the current value of Ronald Gibson House at the time of any such claim.

£1.75 million is included in creditors as deferred income, reflecting that proportion of the net book value of the freehold that might become repayable. If the current value were to exceed the net book value at the time of such a claim, then the increase in asset value would fund the contingent liability thus arising.

25 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

26 Post balance sheet event

Since the year the sale of Brendoncare Woodhayes has completed with proceeds, of £1.2m being received.

Accounts

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2021



The Brendoncare Foundation

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www.brendoncare.org.uk

Company no: 01791733

Charity no: 326508



The Brendoncare Foundation

Contents

For the year ended 31 March 2021

Contents	Pages
Reference and administrative details	2
Report of the Trustees	4
Independent auditor's report	18
Consolidated statement of financial activities (incorporating an income and expenditure account)	22
Balance sheets	23
Consolidated statement of cash flows	24
Notes to the financial statements	25

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2021

Company number	1791733																														
Country of incorporation:	England and Wales																														
Charity number	326508																														
Country of registration:	England and Wales																														
Registered office and operational address	The Old Malthouse Victoria Road Winchester SO23 7DU																														
Patron	Her Royal Highness The Countess of Wessex GCVO																														
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: <table><tr><td>Joe MacHale</td><td>Chair of Board and People Committee</td></tr><tr><td>Jackie Bridges</td><td>Resigned 4th January 2021</td></tr><tr><td>Philip Dowson</td><td>Appointed 8th December 2020</td></tr><tr><td>Lee-Ann Fenge</td><td></td></tr><tr><td>Fay Gillott</td><td></td></tr><tr><td>Ian Jacobs</td><td></td></tr><tr><td>Kellyn Lee</td><td>Appointed 12th September 2020</td></tr><tr><td>Mark Pullen</td><td>Chair of Finance Committee</td></tr><tr><td>David Parfitt</td><td></td></tr><tr><td>Helen Roberts</td><td></td></tr><tr><td>Sarah Hobhouse</td><td>Chair of Care and Clinical Governance Committee</td></tr><tr><td>David Stern</td><td>Chair of Development Committee</td></tr><tr><td>Phillip Sykes</td><td>Appointed 9th February 2021</td></tr><tr><td>Gordon Tillett</td><td></td></tr><tr><td>Jane Williams</td><td></td></tr></table>	Joe MacHale	Chair of Board and People Committee	Jackie Bridges	Resigned 4 th January 2021	Philip Dowson	Appointed 8 th December 2020	Lee-Ann Fenge		Fay Gillott		Ian Jacobs		Kellyn Lee	Appointed 12 th September 2020	Mark Pullen	Chair of Finance Committee	David Parfitt		Helen Roberts		Sarah Hobhouse	Chair of Care and Clinical Governance Committee	David Stern	Chair of Development Committee	Phillip Sykes	Appointed 9 th February 2021	Gordon Tillett		Jane Williams	
Joe MacHale	Chair of Board and People Committee																														
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Gordon Tillett																															
Jane Williams																															
Vice Patrons	<table><tr><td>Nick Bosanquet</td><td>Sir Anthony Newman-Taylor</td></tr><tr><td>Janet Budd</td><td>Lady Elisabeth Robeiro</td></tr><tr><td>James Hill</td><td>Sir Richard Storey Bt CBE DL</td></tr><tr><td>Marie-Therese Hill</td><td>Simon Theobalds</td></tr><tr><td>The Viscount Lifford</td><td>Harvey White (Chair)</td></tr><tr><td>Nick McAndrew</td><td>Peter Willan</td></tr><tr><td>Jilly Morton</td><td>Martin Williams</td></tr></table>	Nick Bosanquet	Sir Anthony Newman-Taylor	Janet Budd	Lady Elisabeth Robeiro	James Hill	Sir Richard Storey Bt CBE DL	Marie-Therese Hill	Simon Theobalds	The Viscount Lifford	Harvey White (Chair)	Nick McAndrew	Peter Willan	Jilly Morton	Martin Williams																
Nick Bosanquet	Sir Anthony Newman-Taylor																														
Janet Budd	Lady Elisabeth Robeiro																														
James Hill	Sir Richard Storey Bt CBE DL																														
Marie-Therese Hill	Simon Theobalds																														
The Viscount Lifford	Harvey White (Chair)																														
Nick McAndrew	Peter Willan																														
Jilly Morton	Martin Williams																														
Bankers	Barclays Bank PLC 50 Jewry Street Winchester SO23 8TN																														

The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2021

Solicitors	Coffin Mew LLP Lakeside, North Harbour Portsmouth, Hampshire, PO6 3EN	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108-114 Golden Lane London EC1Y 0TL	
Management Team	Chief Executive Chief Executive Chief Financial Officer Chief Operating Officer Head of Club Services Human Resources Manager Head of Fundraising and Communications	Carole Sawyers until 30 June 2020 Marianne Wanstall from 1 July 2020 Rachel McIlroy Zoe McCallum Samantha Agnew Emma Hansford Emma Digance

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

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

Reference and administrative information set out on pages two and three forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Chief Executive Summary

The past twelve months have been a year like no other for Brendoncare as the organisation has worked extremely hard to manage the impact of the Covid-19 pandemic. Whilst Brendoncare has continued to deliver its principle activities and worked to achieve objectives as detailed below, this was against a challenging background of heavy restrictions in care homes, the enforced closure of all clubs, the introduction of detailed and continually evolving guidance which has needed careful review and communication, the roll out of large scale testing which continues today and of course the vaccination programme. With care homes and clubs closed to visitors and members Brendoncare has had to invest in technology and additional resource to adapt and continue to provide support, including creating safe visiting spaces in homes, funding extensive infection control protocols and PPE, equipment to support virtual communications and resource for training.

Brendoncare is also very aware of impact on the mental health and well-being of its staff. The toll on care staff working throughout the pandemic cannot be under-estimated, in particular in the early stages of 2020 when there was a great deal of uncertainty and we saw the highest level of impact on residents. Our staff became family members when relatives were not allowed in and provided kindness and love in the darkest of times. We have provided a range of tools and resources for our staff to help with their resilience and well-being, and are extremely grateful to them all for their dedication and commitment every day.

This report demonstrates that despite this exceptional background, we have been able to achieve a great deal and continued to help many older people in our communities through our charitable programmes. We thank everyone who has provided help and support throughout the year, to allow us to continue to achieve our aims.

OBJECTIVES AND ACTIVITIES

Purpose and Aims

Our mission is to improve the quality of life for older people through the provision of care homes, housing with care and social clubs across the South of England.

Brendoncare's goals are:

- Being there – offering the care and support residents and club members need, when they need it.
- Understanding needs – providing individualised responses to needs, led by residents and members.
- Working with others – reaching out to individuals and organisations who share our commitment and who can add value to our services.
- Reducing loneliness – creating a family environment of fun and friendship in which everyone can contribute.

The Trustees have taken into account the Charity Commission's guidance on public benefit when reviewing Brendoncare's aims, objectives and activities.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

Activities and Charitable Objectives

During the year Brendoncare has strived to continue to meet the objectives of the charity and has adapted where necessary in light of the COVID-19 pandemic and government guidance in order to do this.

Brendoncare's principal activities and objectives include:

- Management of care homes in the South of England, to provide quality care in residential settings, currently benefiting around 400 older people.
- Managing and providing financial support to our volunteer-led friendship and well-being clubs, alleviating the impact of loneliness and social isolation for around 1,200 older people.
- Management of five housing with care services, currently supporting people in 140 housing with care apartments.
- The provision of charitable support through our Brendoncare promise to 'Care for Life' in our care homes, and through our clubs to provide support to the most financially vulnerable and socially isolated individuals in the communities we serve.

Care homes and housing with care:

In our care homes, the Care for Life promise is a charitable contribution that offers security and peace of mind to our residents and their families. We promise that we will continue to care for every individual as long as we are able to meet their care needs, even if a change in financial circumstances means that they are no longer able to pay the full fees. We are currently supporting 14% of residents, equalling a contribution of £796,000 towards the cost of those individuals' care in the last year. The Trustees are developing ways to expand access to our financial support for those who may need our services but who cannot pay the full fees.

Our care homes offer a full spectrum of care including specialist dementia care, nursing care, respite stays, residential and end of life care. In our housing with care schemes people live independently in their own home but with the option for us to provide appropriate support should they need it to help them maintain their independence.

We are continually investing to improve the facilities in our care homes and the build of the new Winchester care home at St Giles View commenced during the year.

Friendship and well-being clubs:

Brendoncare Clubs (a subsidiary of The Brendoncare Foundation) offers fun and friendship to older people across Hampshire and Dorset. All Brendoncare Clubs receive charitable funding from the Foundation to keep services affordable for members and our access fund also supports individuals who need extra help to be part of their local club, whether due to geographic or financial vulnerability. We currently have around 1,200 registered members, many of whom attend multiple clubs each week when they are able. As the COVID-19 pandemic began, the clubs service adapted at pace. Previously the service had provided meetings in person and quickly moved to providing online clubs, telephone support and helping people get online. In such unprecedented circumstances, the decision was made to provide these new services free of charge throughout the year but with a plan of introducing a new subscription based membership service in future.

We work closely with other organisations to ensure that those who need us most are able to find us. For many older people, their club is their only or primary source of social contact, and our club members confirm that their club is very important to them.

The Brendoncare Foundation supports Brendoncare Clubs with the provision of management services at a cost of £247,000 (2020: £223,000). This relates to staff time; predominantly fundraising and finance support and advice. In previous years a funding grant has been provided to bridge the gap between the

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

direct cost of running the club service and the income received from subscription income, grants and donations. As a result of the overwhelming response to our emergency funding appeal, no such grant was required in the year (2020: grant of £180,000). Fundraising for Brendoncare Clubs saw its most successful year to date raising a total of £344,000 (2020: £215,000). We would like to thank all those who have donated and made it possible for our services to continue throughout this uncertain time and at no cost to the members.

The Brendoncare Foundation is committed to providing management services to Brendoncare Clubs. Brendoncare Clubs' strategy focuses on growing membership and community fundraising so that the cash grant will remain at a low level or not be required at all in future years.

Volunteering:

Our 400 volunteers are vital members of the Brendoncare team, and their crucial support of our services is recognised in our accreditation with, and as recipients of, the Investing in Volunteers award. Volunteers donate not just their time, but also goods and services. In Clubs around 300 volunteers work closely with a small staff team to ensure that clubs are open each week, organising stimulating activity programmes to promote healthy lifestyles and independent living, as well as taking time to support and encourage involvement from individual members. In our care homes around 100 volunteers work closely with our residents, supporting them with activities and friendship, creating valuable relationships. We are also grateful to those volunteers who support our Central Office and those appointed as Trustees.

Charitable focus and fundraising:

The UK population is ageing quickly, with older people's need for care and support outweighing the services available. Brendoncare is committed to helping older people have the best possible experience in older age. Brendoncare already impacts the lives of over 2,000 people across the South of England, and there is much more to do.

We continue to focus on our charitable programmes, which aim to promote creative solutions to improving the services available to older people in our communities and far beyond:

- Care for life – ensuring older people have access to affordable, high quality health and social care
- Dementia – ensuring all those living with dementia, and their families, have the best possible quality of life throughout their journey
- Community – ensuring all older people feel valued and part of a fun and inclusive community

STRATEGIC REPORT

In preparing this report, the Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) have had regard to the matters in section 172(1)(a) to (f) of the Companies Act 2006 applicable to large companies.

ACHIEVEMENTS AND PERFORMANCE

Operating Review

This year has seen significant challenges as we have adapted to the ongoing COVID-19 pandemic. On 19 March 2020, management made the very difficult decision to suspend all club meetings as a result of the COVID-19 pandemic and unfortunately the community clubs have remained closed throughout the year to 31st March 2021 and into the new financial year.

In response to the pandemic, Brendoncare Clubs set up a community support service to ensure members and volunteers are supported through this challenging period. Members have received over 18,000 phone

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

calls, many have received written communication as well as being signposted to local community groups who can support with essential needs at this time.

We also introduced on-line clubs to enable members to still come together albeit under different circumstances. Around 400 club sessions have been held this way, with over 2,500 on-line attendances.

Clubs members have been contacted throughout the year to ensure they were safe and well, as well as to ensure they continued to feel included in their clubs and able to join on-line club meetings should they wish to. Door step deliveries of treats have even been arranged. This has also enabled us to break down some of the geographical barriers to clubs and means that even those who may not be well enough to leave their homes can attend.

Throughout the various lockdowns, the doors of our care homes have been closed to visitors making our staff an even more critical lifeline for residents as they were unable to see their loved ones. We have been supporting residents to contact their family by phone or video calls wherever possible and ensured both their physical and mental well-being needs are paramount. We continue to provide the high levels of quality care that we pride ourselves on, even whilst working in these challenging conditions. Staff have been more important than ever in providing social contact for residents, especially in periods of lockdown when visits had to be stopped altogether.

As we advance along the government's road map to recovery, we are pleased to be able to welcome more visitors back to the homes, albeit in a limited way and with the use of ongoing COVID-19 testing and PPE to continue to maintain the safety of all those involved.

Office staff have faced the challenges of continuing to support services whilst working from home for longer periods and adapting to very different ways of working.

We continue to offer support to all staff to protect their wellbeing and signpost them to any help available should they require it.

During the year, Brendoncare announced two significant changes to its property portfolio. The Trustees carefully considered the geographical coverage of the organisation and concluded that Brendoncare Woodhayes and Brendoncare Chiltern View fall outside of the area where the charity is best placed to focus its support for older people in the future.

For Brendoncare Woodhayes, its distance from the central support office in Winchester means that the organisation is not able to support the residents and staff in a way they would wish to do so. An offer was made by another provider to purchase the home during the year and the sale is ongoing at the date of signing the accounts.

In early March 2021, Brendoncare announced the proposal to close Brendoncare Chiltern View in Aylesbury. Again, its distance from the central support office in Winchester means that the organisation is not able to support the residents and staff in a way they would wish to do so. The property was leased and therefore Brendoncare was limited to what improvements could be made to the facilities. All residents were moved from the home to alternative accommodation by the end of April 2021 and the majority of staff also ceased employment by the end of April, with the final staff leaving by the middle of May 2021. Details of the restructuring costs included in the accounts are shown in note 7.

We are pleased to report that the build of the new site in Winchester has commenced and look forward to this opening in the second half of 2022. We continue to identify future sites for further Brendoncare services however our main development focus through this year and the coming year is on the membership scheme and community support.

Brendoncare would like to thank all staff and volunteers who have supported and continue to support residents and members through this challenging period and continue to do so and keep them at the forefront of everything we do.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

Staff

Brendoncare values the development and involvement of staff, with training and development opportunities that recognise the diversity of our workforce and their individual learning needs.

Brendoncare is committed to informing and consulting staff so that they can contribute to decisions about how we can deliver the best possible service. A regular bulletin is circulated to all staff and we conduct an annual staff survey. We celebrate success regularly through our 'Extra Mile Awards' and our annual event and although we were unable to hold our event this year, awards were still presented to staff for exceptional performance.

As an equal opportunities employer, Brendoncare treats every employee, volunteer or job applicant fairly, basing every decision solely on the abilities and aptitudes of the individual concerned in relation to the role or training opportunity.

Remuneration Policy

Pay differentials are related to the skill level required, workload, responsibilities, qualifications and external labour market forces. Our policy is that the ratio of the pay of the Chief Executive to the pay rates of the lowest paid member of staff will not exceed 10:1. The ratio is currently 6.5:1.

Pay reviews are undertaken annually, generally at 1 April. The annual review takes into account the following internal factors:

- The financial position and outlook for the business
- The staff turnover rate in general and in specific locations and jobs
- The usage and cost of agency staff
- Any other data that can inform the review

The annual review takes account of the following external factors:

- The general economic outlook, the position of the not-for-dividend and care sector labour markets
- The National Minimum Wage and the Living Wage
- The consumer prices index (CPI) and/or other cost of living indices
- The average earnings index (AEI)
- The annual pay survey of the National Care Forum and/or any other appropriate source of relevant benchmarking information
- Any other data that can inform the review

The People Committee take advice, guidance and information from such outside sources as may be necessary to review the pay of senior staff with substantial strategic responsibilities.

We have set up processes to ensure that we are able to meet the needs of Gender Pay Reporting. We are delighted to report a median gap of 0.0% compared to the national average of 15.5% in our latest report. The full report can be viewed on our website, www.brendoncare.org.uk

Volunteers

As an accredited Investing in Volunteers organisation since 2009, volunteers continue to give substantial and welcome support to Brendoncare's care homes and clubs. Within the Clubs service, forums would usually be held with the volunteers in each geographical area at least twice a year, to enable them to communicate with management and have input into how the service is run for the members. As a result

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

of the pandemic, this has not been possible during the year however we have maintained regular support and communication with all volunteers.

Impact and Effectiveness

Brendoncare measures the quality of care delivery through regular internal audits. Care Key Performance Indicators are monitored by the Care and Clinical Governance Committee. Through these internal audits and monitoring systems, we are seeing improvements in the results of inspections undertaken by CQC. Currently all 12 services which have been rated by CQC, are rated good.

Energy and carbon reporting

Brendoncare has collected evidence of the charity's environmental impact in accordance with the Streamlined Energy and Carbon Reporting (SECR) guidance. The data for the 12 months to 31st March 2021 is shown below.

During this period, energy usage totalled 6,186,368 kWh (2020: 6,483,167 kWh) which can be analysed further as follows:

- Electricity – 2,401,082 kWh (2020: 2,351,945)
- Gas – 3,529,057 kWh (2020: 3,726,710)
- Transport – 256,229 kWh (2020: 404,512)

Energy usage for electricity and gas is based on meter readings for actual consumption during the reporting period.

The figure noted above for transport relates solely to staff use of privately owned vehicles for business use, where Brendoncare has reimbursed the cost of this mileage. The usage for transport is based on the number of travel miles reimbursed to staff during the period.

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO₂e) for the reporting period was 1,208 tonnes (2020: 1,234 tonnes). This works out at a ratio of 3.0 tonnes per bed based on 402 beds available across all Brendoncare sites (2020: 3.1 tonnes).

Recommendations resulting from the ESOS audit and actions taken to improve energy efficient include:

- Developing a staff energy awareness campaign – including a September switch off with a prize for the best performing home
- Replacing existing lighting with LED energy efficiency lighting
- Fitting insulation to piping and pipe joints where not already in place

Many staff meetings are now being conducted via online video services as a result of the COVID-19 pandemic and we expect to continue this going forward.

Having good business relationships helps to ensure the smooth running of the charity and we are committed to working to a fair working practice with our suppliers, whilst delivering best value for the beneficiaries of the charity.

The Board and senior management team regularly discuss the nature of relationships with key stakeholders and have clear engagement processes with suppliers and customers. We agree payment terms with all our business partners.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

We recognise that sometimes things go wrong and Brendoncare has established a complaints policy and a process for ensuring all complaints are reviewed and addressed appropriately.

FINANCIAL REVIEW

The combined Consolidated Statement of Financial Activities and Income and Expenditure Account is set out on page 22. The net assets at the end of the year stood at £20,328,000 (2020: £21,132,000) and principally represents our investment in care home buildings. Of the balance of net assets, £2,684,000 is available as free cash.

The operating result for the year is shown in the table below:

	31 st March 2021	31 st March 2020
Net movement in funds	(£804,000)	£1,491,000
Swaps adjustment	(£49,000)	£165,000
Other gains/expenses	£961,000	(£532,000)
Operating result	£108,000	£1,124,000

The reduction year on year demonstrates the challenging operating conditions that Brendoncare has faced as a result of the pandemic. Brendoncare has experienced a reduction in occupancy of around 10% compared to usual levels resulting from the pandemic, broadly similar to that experienced by the sector. There is greater reluctance to move into a care home at this time as a result of government restrictions on visits and negative portrayal in the media of the impact of the pandemic on care homes. Consequently vacancies are taking longer to fill. We are focussing our efforts on marketing and promoting the homes, maintaining strong links to professional referrers such as local authorities, various NHS teams, private referral consultancies and directories to ensure that Brendoncare homes are the preferred choice when people are ready to make the decision to move in to care.

We have also experienced significant pressures on our costs. We have incurred additional staff costs to cover staff who have had to self-isolate or been advised to shield, although we have seen improvement in this over the course of the year as regular testing has become more prevalent and restrictions have been eased. We have benefitted from the ability to furlough staff who were unable to work as they were classed as extremely clinically vulnerable. In addition, the accounts include receipts totalling £1,142,000 for COVID-19 support and infection control funds provided through the local authorities and NHS. Without this support, the accounts would show an operating loss of £1,034,000.

At the start of the year there was a large increase in levels of PPE required as well as the cost of this. We are now able to access free PPE supplies through the government portal.

As noted above, the commitment to close the Chiltern View care home had been made and communicated prior to the end of the year. Therefore closure costs of £961,000 are included in the accounts and are shown as other expenditure in the Statement of Financial Activities. Further information regarding these costs are included in note 7.

As a result of the pandemic, the fundraising team launched an emergency fundraising appeal in order to support the clubs service for the benefit of the members and. As a result, donations and legacies of £428,000 were generated in the year (2020: £425,000) of which £344,000 was for the clubs service (2020: £215,000); the highest annual total raised for the service to date.

The Brendoncare Foundation supports the Clubs service by donating the support services of central office staff, including the fundraising team. Due to the fantastic level of donations generated, no funding grant

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

was required this year to partially cover the costs of running the Brendoncare Clubs services (2020: grant of £180,000).

During the year, The Brendoncare Foundation has provided charitable support totalling £1,043,000 (2020: £1,138,000), including Care for Life and provision of management services to Brendoncare Clubs. The prior year figure also included a funding grant of £180,000 for to Brendoncare Clubs however no such grant has been required in the current year.

GOING CONCERN

The Trustees have reviewed the financial performance in the year to 31st March 2021 and also the financial budget to 31st March 2022 as well as financial and cash flow forecasts beyond this date.

Despite the impact of the pandemic, the Charity has made a modest operating surplus in the year to 31st March 2021 and substantial cash balances of £5,111,000 have been retained including cash designated to meet the obligations we have to the leaseholders of the apartments. This cash level is sufficient to meet the operating cash flow needs of the Charity for the coming 12 months and beyond; in the current year there has been a net outflow of £488,000 so even if this level of outflow were to continue, the balance would be sufficient for at least 12 months from the date of signing this report.

The budget for the coming 12 months anticipates an increase in occupancy as the market gains more confidence in the care home sector and we begin to recover from the pandemic. There are clear organisational objectives focussing on how this will be achieved. There are also expected to be further receipts of infection control funds to continue to support some of the additional costs being incurred for the ongoing testing requirements of all staff, residents and visitors.

In agreeing the budget the trustees consider the financial impact of a number of scenarios including:

- 10% reduction to the budgeted occupancy
- 20% reduction to budgeted fundraising income
- 3% increase to budgeted operating costs

They concluded that Brendoncare holds sufficient reserves to be able to absorb the impact of these scenarios should they occur.

Trustees have a reasonable expectation that Brendoncare has adequate resources to continue its operations for the foreseeable future and therefore concluded that it continues to be appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Assets and Investments

Brendoncare's care homes are its principal assets. The changes in fixed assets during the year are set out in note 12.

The Trustees have wide investment powers conferred on them by the Memorandum of Association. In practice, however, these powers are little used as Brendoncare does not have any surplus funds, after meeting its charitable support requirements, with which to acquire long-term investment assets other than additions to its care asset base.

Temporary surpluses are invested in short-term cash deposits, and short-term property investments arise from time to time in the development of close care or total care living schemes. No such investments have been made during the financial year.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

Cash, Borrowings and Interest

Brendoncare maintains cash resources sufficient to ensure the safe and continuous running of the charity. The operating costs in the year to 31st March 2022 are expected to be £1,800,000 a month (£2,000,000 in the current year). Brendoncare's policy is to maintain cash resources sufficient to meet these operating cash flows for a minimum of 2 months. We are also required by our banking covenants to hold a minimum of £4,000,000 in cash.

Brendoncare's financial position at the end of the year remained strong. Net debt reduced to £9,523,000 (£10,005,000 as at 31 March 2020) as a result of loan repayments in the year. Net assets have reduced to £20,328,000 (2020: £21,132,000); however, this is largely as a result of the restructuring costs at Brendoncare Chiltern View.

Brendoncare's sterling bank debt of £12,623,000 (2020: £13,597,000) has maturity dates between 2023 and 2027 and is, in effect, a mix of fixed and variable interest rate loans. In managing Brendoncare's risks the Trustees consider that it is appropriate to mitigate the short-term risks to Brendoncare arising from possible adverse changes in interest rates, through the use of sterling interest rate swaps on a proportion of the borrowings. These are closely matched to the underlying debt profile. With the use of swaps, 67% of Brendoncare's bank debt as at 31 March 2021 has been converted, in effect, to fixed interest terms. Further information regarding the applicable interest rates is included within note 17.

Reserves Policy

Brendoncare requires significant property assets in order to meet its charitable aims. Of the total reserves of £20,328,000, £15,088,000 represents property assets net of the loan borrowings set against the properties to which they relate (property assets of £27,711,000 less bank loans including swaps adjustment of £12,623,000). These are included as designated reserves to more accurately reflect of the funds available in cash or that can be easily liquidated for use to meet the operating needs of the charity.

The Charity holds funds in relation to the sinking fund balances which we are obligated to hold for the leaseholders of the apartments to which they relate, in order to meet our obligations under the lease. These funds are included within designated funds and total £2,391,000.

Brendoncare holds sufficient unrestricted reserves to meet its charitable objectives in the short term. Free cash available for this purpose at 31st March 2021 totalled £ 2,684,000, (i.e. about 6 weeks operating costs).

Fundraising Practices

As part of our commitment to best practice, Brendoncare adheres to the standards set by the Fundraising Regulator and the Institute of Fundraising. We aim to ensure that our fundraising is respectful, open, honest and accountable to the public.

We have a clearly documented complaints procedure in place, enabling any concerns regarding our fundraising activities to be responded to quickly. During the year, there have been no instances of non-compliance with the requirements of the fundraising code of practice and no complaints were received by the charity regarding fundraising activities.

Our fundraising policy clearly states all steps that should be followed in order to protect vulnerable people when offering support to the charity, ensuring that they have the relevant capacity to enable them to make the decision to donate.

The Trustees periodically review fundraising standards and compliance as part of the Board meetings.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

FUTURE PLANS

Brendoncare continues to make a difference to the health and well-being of older people through its innovative approach to developing and delivering new models of care which meet the needs and wishes of older people.

The key objectives for the year to 31 March 2022 include:

Recovery from the impact of the COVID-19 pandemic

- Maintaining quality care and support for residents and facilitating visits from loved ones
- Supporting club members and volunteers as we look to safely reopen face to face club services
- Supporting staff and volunteer wellbeing as they continue to support both residents and club members as well as ensuring the charity operates smoothly

Launching Brendoncare Membership

- Communicating membership benefits to existing club members
- Developing relevant membership services that will engage all our customers across the wider Brendoncare community

Improving occupancy at care homes

- Engaging with local communities to build confidence in the homes following the impact of the pandemic

Reducing the use of agency staff

- Working with homes to ensure there are robust systems in place to cover vacant shifts with our own staff wherever possible

Review, reflect and plan for future growth

- Ensure that all projects and plans will underpin future growth and success

PRINCIPAL RISKS AND UNCERTAINTIES

Brendoncare maintains a risk register which is reviewed regularly by the Senior Leadership Team. The major risks to which Brendoncare is exposed are formally reviewed twice a year by the Board, and once annually by each of the Finance and Audit Committee and the Care and Clinical Governance Committee, quarterly in all. Systems are in place to manage those risks, and the implementation and effectiveness of those systems are reviewed regularly.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

Key risk:	How managed:
COVID-19: Impact of the ongoing pandemic on the well-being of staff, residents, tenants, members and volunteers as well as the impact on costs and reduced occupancy on financial sustainability.	Regular communication is maintained by all those working for Brendoncare, or benefitting from our service, enabling us to provide signposting to other organisations who may be able to provide support. Focus on the marketing and promoting of care homes beds will aid occupancy over the coming months as we are able to reopen the homes to visitors. Staff continue to be provided with PPE in line with Public Health England guidelines. All staff are subject to rigorous testing routines and residents are also tested monthly. The homes have now been opened up to visitors and we continue to apply the current guidelines in relation to numbers of visitors and where visits can take place. All visitors are also subject to the testing regime. Staff and volunteer welfare is paramount and we are ensuring that all staff have access to any support they may require to support their mental wellbeing at this time. A focus on ensuring sufficient cash to maintain the service through this period of uncertainty.
Service quality: Delivering the accessible services that residents, mews tenants and club members want, at affordable prices, both now and in to the future.	Surveys are undertaken with club members, residents and their relatives in order to provide us with important information about what they would like to see to assist with shaping the future of our services, and to continue to meet the needs of those who use them. Brendoncare membership will offer a range of services at an affordable price, support by the access fund where there continue to be financial barriers for some.
People: Ensuring we have the right people with the right skills throughout the organisation to deliver the quality of services on which residents and club members can depend.	We continually monitor recruitment and conduct interviews with leavers to ascertain what we can do better. Ensuring all staff and volunteers receive the required training and inductions to enable them to deliver the quality of services that we expect for residents and club members. Especially as we seek to reopen community clubs in the coming months.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

Key risk:	How managed:
Financial Sustainability: Managing our finances in a challenging environment, to ensure that we can continue to make an impact in the future and can invest in growth.	Continue to market our homes, seeking to increase the levels of occupancy thereby maximising income. Forecasts are prepared and monitored monthly to ensure any financial issues are identified promptly and corrective action can be taken promptly. Marketing the membership scheme to the wider community to increase the number benefitting from the scheme and the membership income.
Regulatory Compliance: Meeting the requirements of regulators including CQC, the charity commission, and fundraising regulator.	Internal quality audits are performed regularly for all services to ensure they meet the standards required by CQC. Internal policies for Fundraising, Health and Safety and other areas are reviewed regularly to ensure regulatory compliance is maintained.
Reputation: Demonstrating the values of Brendoncare and meeting ethical expectations of residents, club members, housing tenants, families, staff, volunteers, donors. Responding effectively to incidents that can damage reputation.	Surveys are undertaken with residents, club members, volunteers, relatives and staff to enable any concerns to be identified on a timely basis. We have a documented complaints procedure in place to ensure that, should the need arise, they are appropriately addressed. Staff are regularly reminded of their responsibilities with regard to safeguarding policies.
Managing change: Supporting capacity to develop, grow, innovate and change to remain fit for future purpose whilst embracing technology and digital skills.	Annual and longer term plans are documented and shared with staff to enable Brendoncare to manage and support any necessary change. Project plans are documented for any significant changes to existing services. Staff will be provided within the necessary training and support to ensure Brendoncare remains innovative and forward looking.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 14 February 1984 and registered as a charity on 19 March 1984.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Governance and Management

The Trustees are Directors for the purposes of the Companies Act 2006 and Trustees of the charity for the purposes of the Charities Act 2011.

The Trustees are required to be members of Brendoncare and are elected by approval of the members. The Board meets at least six times in a calendar year to agree strategic and policy matters, to approve investment projects and to review the operational performance of Brendoncare. During the year, all meetings have been held on line via video conferencing.

The Charity has four Committees which are delegated certain responsibilities from the Board and meet at least quarterly to review these: Finance and Audit, Care & Clinical Governance, Development, and People (formerly Remuneration). Responsibility for day to day operations is delegated to the Chief Executive, working within the framework of the approved strategy and business plan.

The Committees met as follows during the year to 31st March 2021:

- Board – seven meetings
- Care & Clinical Governance Committee – four meetings
- Finance and Audit Committee – eleven meetings
- Development Committee – ten meetings
- People Committee – one meeting

As part of its governance procedures the Board regularly reviews the skills mix of the Board and plans for any future retirements.

A Trustee appointed by the Board is appointed for a three-year term and is eligible for re-election at the end of this term. The Trustees have adopted a policy of limiting the total time in office to nine years, with certain exceptions for Committee Chairs.

Trustees receive induction training provided by Brendoncare's staff, and attend regular development sessions, provided by staff and third-party experts, to enhance their understanding of issues faced by the charity. On appointment, Trustees receive a handbook containing a broad range of information aimed at assisting them to gain a deeper and more structured understanding of their role and of Brendoncare, and this is updated regularly.

Brendoncare reviews its governance arrangements regularly by assessing itself against the criteria set out in various publications, including the Charity Commission's Charity Governance Code, and establishing an improvement programme based upon its findings.

In the event of a winding up, the members are liable to contribute an amount not exceeding £1 each.

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2021

Statement of responsibilities of the Trustees

The Trustees (who are also Directors of The Brendoncare Foundation for the purposes of company law) are responsible for preparing the report of the Trustees including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP were reappointed as the charitable company's auditor and has expressed their willingness to continue in that capacity.

The report of the Trustees which includes the strategic report has been approved by the Trustees on 25th August 2021 and signed on their behalf by

Joe MacHale
Chairman of Trustees

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinion

We have audited the financial statements of Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement

Independent auditor's report

To the members of

The Brendoncare Foundation

in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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,

Independent auditor's report

To the members of

The Brendoncare Foundation

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 extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

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

- We enquired of management, finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

The Brendoncare Foundation

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Fleur Holden (Senior statutory auditor)

28 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Brendoncare Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
Income from:							
Donations and legacies	2	231	197	428	171	254	425
Coronavirus Job Retention Scheme	2	172	-	172	-	-	-
Charitable activities							
Care Homes and Housing with Care	3	24,106	-	24,106	25,300	-	25,300
Friendship and well-being clubs	3	15	-	15	156	-	156
Coronavirus support grants	3	61	1,081	1,142	-	-	-
Investments	4	4	-	4	17	-	17
Total income		24,589	1,278	25,867	25,644	254	25,898
Expenditure on:							
Raising funds	5	266	-	266	330	-	330
Charitable activities							
Care Homes and Housing with Care	5	23,778	1,245	25,023	23,578	168	23,746
Friendship and well-being clubs	5	293	177	470	614	84	698
Other expenditure	7	961	-	961	-	-	-
Total expenditure		25,298	1,422	26,720	24,522	252	24,774
Net income/(expenditure) for the year and Net income before other recognised gains and losses	6	(709)	(144)	(853)	1,122	2	1,124
Gain on sale of land	7	-	-	-	532	-	532
Valuation of interest rate swaps	18	49	-	49	(165)	-	(165)
Net movement in funds		(660)	(144)	(804)	1,489	2	1,491
Reconciliation of funds:							
Total funds brought forward		17,490	3,642	21,132	16,001	3,640	19,641
Total funds carried forward		16,830	3,498	20,328	17,490	3,642	21,132

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

The Brendoncare Foundation

Balance sheets

Company no. 01791733

As at 31 March 2021

		The group		The charity	
	Note	2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	12	35,012	35,795	34,918	35,691
Investments	13	-	-	-	-
		35,012	35,795	34,918	35,691
Current assets:					
Debtors due within one year	15	1,848	1,919	1,863	2,214
Cash at bank and in hand		5,111	5,599	4,971	5,249
		6,959	7,518	6,834	7,463
Liabilities:					
Creditors: amounts falling due within one year	16	(5,971)	(5,525)	(5,953)	(5,513)
Net current assets		988	1,993	881	1,950
Total assets less current liabilities		36,000	37,788	35,799	37,641
Creditors: amounts falling due after one year	17	(15,451)	(16,386)	(15,457)	(16,386)
Interest rate swap liability	18	(221)	(270)	(221)	(270)
Total net assets	20	20,328	21,132	20,121	20,985
Funds:	21				
Restricted income funds		3,498	3,642	3,421	3,545
Unrestricted income funds:					
Designated funds		14,904	14,946	14,774	14,896
General funds		2,684	3,260	2,684	3,260
Interest rate swap reserve		(758)	(716)	(758)	(716)
Total unrestricted funds		16,830	17,490	16,700	17,440
Total funds		20,328	21,132	20,121	20,985

Approved by the Trustees on 25th August 2021 and signed on their behalf by

Joe MacHale
Chairman

Mark Pullen
Trustee

The Brendoncare Foundation

Consolidated statement of cash flows

For the year ended 31 March 2021

Reconciliation of net income to net cash flow from operating activities

	2021 £'000	2020 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(804)	1,491
Depreciation charges	1,582	1,470
Surplus on disposal of fixed assets	-	(519)
Swaps valuation movement	(49)	165
Impairment of fixed assets	141	-
Decrease/(increase) in debtors	71	(517)
Increase in creditors	491	488
Net cash provided by operating activities	1,432	2,578
Cash flows from investing activities:		
Purchase of fixed assets	(905)	(1,809)
Assets under construction	(35)	(152)
Proceeds from sale of fixed assets	-	2,282
Net cash used in investing activities	(940)	321
Cash flows from financing activities:		
Finance lease payment	(55)	(51)
Repayments of borrowing	(925)	(874)
Net cash provided used in financing activities	(980)	(925)
Change in cash and cash equivalents in the year	(488)	1,974
Cash and cash equivalents at the beginning of the year	5,599	3,625
Cash and cash equivalents at the end of the year	5,111	5,599

Analysis of cash and cash equivalents and of net debt

	at 1 April 2020 £'000	Cash flows £'000	Other non- cash changes £'000	at 31 March 2021 £'000
Cash at bank and in hand	5,599	(488)	-	5,111
Total cash and cash equivalents	5,599	(488)	-	5,111
Loans falling due within one year	924	-	-	924
Loans falling due after more than one year	12,723	(925)	(49)	11,749
Finance lease falling due within one year	(10)	-	7	(3)
Finance lease falling due after more than one year	2,017	(55)	52	2,014
Total borrowings	15,654	(980)	10	14,684
Net debt	(10,055)	492	(10)	(9,573)

1 Accounting policies

a) Statutory information

The Brendoncare Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Old Malthouse, Victoria Road, Winchester, SO23 7DU.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries Brendoncare Enterprises Limited, Brendoncare Clubs and the dormant subsidiaries Meadway Houses (Winchester) Limited and Brendon Nursing Trust Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period as documented in the report of the Trustees.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Further detail on the trustees' assessment of going concern is included in the trustees' report.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from charitable activities comprises of income from the provision of health and social care to older people. For the care homes, it is stated after deducting charitable support by the Foundation, as the latter is regarded as a sales discount, under generally accepted accounting practice, rather than grant expenditure.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations comprise charitable grants received from trusts and statutory bodies, together with legacies and donations mainly from individuals.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Coronavirus job retention scheme income and other coronavirus support income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or has received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. There is more information about their contribution in the Report of the Trustees.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the Charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs that are not directly attributable to support, governance or activities for generating voluntary income, are allocated based on a proportion of staff costs.

Where information about the aims, objectives and projects of the Charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities based on an estimate of staff time attributable to each activity.

k) Interest payable

Interest is accrued and included in the consolidated statement of income and expenditure of the period for which it is receivable or payable. Interest payable includes the accrued interest differentials on interest rate swaps. The swaps are marked to market, with any valuation gains and losses accounted for through the statement of financial activities and are measured at fair value.

Interest payable on loans taken out specifically to fund the site purchase and construction costs of new tangible fixed assets is capitalised up to the date of completion of the project.

1 Accounting policies (continued)

l) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset are with the group are capitalised in the balance sheet and are depreciated over the lease term. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of financial activities so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental charges payable under operating leases are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Fixed assets are stated at the lower of their cost, being the purchase price together with any incidental expenses of acquisition, and their recoverable amount.

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

Freehold land	Unlimited
Freehold buildings	50 years
Leasehold buildings	50 years
Building improvements	25 - 50 years
Furniture, fittings and equipment	5 - 8 years
Leasehold improvements	Over the remaining lease
Plant and machinery	25 years
Communications equipment	8 years
Computer equipment and software	3 years
Assets under construction	Not depreciated

Grants for fixed assets are recognised in the financial statements as incoming resources. If the criteria for certainty and measurability are not met, grants are treated as deferred income and disclosed as a liability in the balance sheet.

n) 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.

o) Cash at bank and in hand and current asset investments

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.

p) 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.

1 Accounting policies (continued)

q) Financial instruments

The Charity has both financial assets and financial liabilities of a kind that qualify as basic financial instruments and other financial instruments in the form of interest rate swaps and finance leases.

Interest rate swaps are held to manage the risks arising from fluctuations in interest rates.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

Brendoncare enrolls all employees, who meet the criteria, into the auto-enrolment pension scheme after two months' service.

The group also operates a defined contribution pension scheme for longer serving staff which is closed to new entrants. The scheme is stakeholder compatible.

s) Sinking funds

Sinking funds comprise the contributions, together with interest less attributable expenditure, made upon the surrender of leases in the Charity's housing developments. These contributions are for the cost of renewals, replacements, improvements and other items of capital expenditure not covered by service charges. These funds are classified as Designated Funds in these accounts.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
Gifts	227	197	424	168	229	397
Legacies	4	-	4	3	-	3
Hampshire County Council Grant	-	-	-	-	25	25
Sub-total	231	197	428	171	254	425
Coronavirus Job Retention Scheme	172	-	172	-	-	-
	403	197	600	171	254	425

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
Care Homes and Housing with Care						
Care fee income	23,465	-	23,465	24,695	-	24,695
Sinking fund income	188	-	188	180	-	180
Other ancillary services	453	-	453	425	-	425
Sub-total	24,106	-	24,106	25,300	-	25,300
Friendship and well-being clubs						
Club subscriptions	-	-	-	145	-	145
Other ancillary services	15	-	15	11	-	11
Sub-total	15	-	15	156	-	156
Coronavirus Support Grants						
Local authority funding grants	61	1,081	1,142	-	-	-
Sub-total	61	1,081	1,142	-	-	-
Total income from charitable activities	24,182	1,081	25,263	25,456	-	25,456

4 Income from investments

	2021 Total £'000	2020 Total £'000
General fund deposits	4	17
	4	17

All income is unrestricted.

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (current year)

	Cost of raising funds £'000	Charitable activities		Other expenditure £'000	Governance £'000	2021 Total £'000	2020 Total £'000
		Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000				
Staff costs	212	15,151	240	260	47	15,910	13,880
Staff support costs	44	1,286	109	-	-	1,439	1,133
Agency and consultancy	-	2,423	-	-	-	2,423	3,245
Total staff costs (note 8)	256	18,860	349	260	47	19,772	18,258
Repairs & maintenance	-	838	4	460	-	1,302	932
Food and household goods	-	881	2	-	-	883	916
Utilities	-	661	3	-	-	664	646
Interest payable	-	400	-	-	-	400	451
Training costs	1	119	1	-	-	121	94
Stationery and communication costs	1	111	7	-	-	119	161
Transport and travel costs	-	15	3	-	-	18	90
Chemist and medical supplies (PPE)	-	327	-	-	-	327	178
Insurance	-	135	1	-	-	136	109
Regulatory costs	-	79	-	-	-	79	81
Activity costs	-	31	8	-	-	39	128
Staff recruitment	-	29	-	-	-	29	64
Legal and professional	-	184	-	100	-	284	27
Marketing costs	-	20	-	-	-	20	23
Reversal of bad debt provision	-	(90)	-	-	-	(90)	-
Other costs	8	36	9	-	-	53	160
Disposal/impairment of fixed assets	-	-	-	141	-	141	13
Audit and accountancy	-	-	-	-	35	35	36
	266	22,636	387	961	82	24,332	22,367
Premises and equipment support costs	-	754	52	-	-	806	937
Depreciation	-	1,422	14	-	-	1,436	1,426
Depreciation in support costs	-	136	10	-	-	146	44
	-	1,558	24	-	-	1,582	1,470
Governance costs	-	75	7	-	(82)	-	-
Total expenditure 2021	266	25,023	470	961	-	26,720	-
Total expenditure 2020	330	23,746	698	-	-	-	24,774

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2021

5b Analysis of expenditure (prior year)

	Charitable activities				2020 Total £'000
	Cost of raising funds £'000	Care Homes and Housing with Care £'000	Friendship and well-being clubs £'000	Governance £'000	
Staff costs	237	13,339	265	39	13,880
Staff support costs	55	949	129	-	1,133
Agency and consultancy	-	3,245	-	-	3,245
Total staff costs (note 8)	292	17,533	394	39	18,258
Repairs & maintenance	-	929	3	-	932
Food and household goods	-	902	14	-	916
Utilities	-	641	5	-	646
Interest payable	-	451	-	-	451
Training costs	1	88	5	-	94
Stationery and communication costs	6	150	5	-	161
Transport and travel costs	5	43	42	-	90
Chemist and medical supplies	-	178	-	-	178
Insurance	-	108	1	-	109
Regulatory costs	-	81	-	-	81
Activity costs	-	80	48	-	128
Staff recruitment	-	64	-	-	64
Legal and professional	-	24	3	-	27
Marketing costs	3	20	-	-	23
Other costs	23	68	69	-	160
Disposal of fixed assets	-	12	1	-	13
Audit and accountancy	-	-	-	36	36
	330	21,372	590	75	22,367
Premises and equipment support costs	-	848	89	-	937
Depreciation	-	1,418	8	-	1,426
Depreciation in support costs	-	40	4	-	44
	-	1,458	12	-	1,470
Governance costs	-	68	7	(75)	-
Total expenditure 2020	330	23,746	698	-	24,774

Notes to the financial statements

For the year ended 31 March 2021

6 Net income for the year

This is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Depreciation	1,582	1,470
Profit on disposal of fixed assets	-	(519)
Interest payable	351	451
Impairment of assets (see note 7)	141	-
Operating lease rentals:		
Property	149	149
Other	2	5
Auditor's remuneration (excluding VAT):		
Audit	29	30
Other services	6	2

7 Other expenses

At 31 March 2021, an announcement had been made to close Chiltern View care home in Aylesbury. Costs of £961,000 have been accrued in relation to the expected costs of the closure including redundancy costs, dilapidations, legal fees and asset write offs.

During the prior year, land with a book value of £1,750,000 was sold at a surplus of £532,000. This is included within the profit on disposal figure in note 6.

8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£'000	£'000
Salaries and wages	15,404	13,521
Redundancy and termination costs (see note 7)	260	28
Social security costs	1,331	1,144
Pension contributions	354	320
Agency staff costs	2,423	3,245
	19,772	18,258

The company operates a defined contribution pension scheme. At the year end, payments totalling £66,000 (2020: £65,000) were outstanding and included within other creditors.

The key management personnel of the charitable company comprise the Trustees and the Management Team as listed on page 3. The total employee benefits including national insurance and pension contributions of the key management personnel were £525,000 (2020: £494,000).

Indemnity insurance is maintained to protect the Charity and to indemnify Trustees, Officers and Staff against the consequences of any neglect or default on their part. The cost involved is £7,000 (2020: £4,000). No Charity Trustee received any remuneration or payment for professional or other services supplied to the Charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,000 (2020: £3,000) incurred by one (2020: three) member relating to attendance at meetings of the Trustees.

8 Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose remuneration, including benefits but excluding pension contributions, fell within the following bands (over £60,000) was:

	2021 No.	2020 No.
£120,000 - £130,000	-	1
£90,000 - £100,000	2	2
£80,000 - £90,000	1	-
£70,000 - £80,000	2	-
£60,000 - £70,000	-	2

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Raising funds	6	8
Care homes	710	665
Friendship and well-being clubs	10	12
Volunteering	1	1
Support and governance	40	34
	767	720

10 Related party transactions

The related parties of The Brendoncare Foundation include the Trustees. Trustees made no restricted donations during the year (2020: £nil). There were no other related party transactions.

11 Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiary Brendoncare Enterprises Limited is not exempt, however it would gift aid any available profits to the parent Charity.

12 Tangible fixed assets

The group

	Freehold property £'000	Long leasehold £'000	Assets under construction £'000	Fixtures, fittings and equipment and leasehold improvements £'000	Computer equipment & software £'000	Total £'000
Cost						
At the start of the year	32,940	2,000	306	9,368	855	45,469
Additions in year	182	-	35	403	320	940
Impairment of assets	-	-	-	(141)	-	(141)
Disposals in year	-	-	-	(1)	(243)	(244)
At the end of the year	<u>33,122</u>	<u>2,000</u>	<u>341</u>	<u>9,629</u>	<u>932</u>	<u>46,024</u>
Depreciation						
At the start of the year	4,790	63	-	4,210	611	9,674
Charge for the year	621	40	-	782	139	1,582
Eliminated on disposal	-	-	-	(1)	(243)	(244)
At the end of the year	<u>5,411</u>	<u>103</u>	<u>-</u>	<u>4,991</u>	<u>507</u>	<u>11,012</u>
Net book value						
At the end of the year	<u>27,711</u>	<u>1,897</u>	<u>341</u>	<u>4,638</u>	<u>425</u>	<u>35,012</u>
At the start of the year	<u>28,150</u>	<u>1,937</u>	<u>306</u>	<u>5,158</u>	<u>244</u>	<u>35,795</u>

The closing balance of assets under construction relates to the costs incurred for the redevelopment of The Old Parsonage site.

Land with a value of £6,496,000 (2020: £6,496,000) is included within freehold property and not depreciated; although regular impairment reviews are carried out.

Long leasehold property consists of 7 apartments sold to The Edward Gostling Foundation under a finance lease arrangement.

All of the above assets are used for charitable purposes.

The tangible fixed assets of the Charity comprise 99% of the Group's tangible fixed assets shown in the above table.

Notes to the financial statements

For the year ended 31 March 2021

13 Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of Brendoncare Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	Brendoncare Enterprises	
	2021	2020
	£'000	£'000
Turnover	-	2,325
Cost of sales	-	(1,793)
Gross profit	-	532
Administrative expenses	-	(13)
Operating profit/(loss)	-	519
Interest payable	-	(57)
Profit/(loss) on ordinary activities	-	462
Write off intercompany loan balance	-	1,235
Profit for the financial year	-	1,697
The aggregate of the assets, liabilities and funds was:		
Assets	12	325
Liabilities	-	(313)
Funds	12	12

Brendoncare Enterprises previously held development property for the development of care facilities. During the prior year, land with a book value of £1,750,000 was sold for a surplus of £532,000. The final balance of the loan from The Brendoncare Foundation was repaid in the year. Brendoncare Enterprises has been dormant throughout the current year.

The Brendoncare Foundation controls the following charitable company, limited by guarantee, by virtue of being the sole member:

	Brendoncare Clubs	
	2021	2019
	£'000	£'000
Income	607	774
Expenditure	(548)	(701)
Surplus	59	73
Assets	231	163
Liabilities	(40)	(32)
Net Assets	191	131

13 Subsidiary undertakings (continued)

During the year, The Brendoncare Foundation made grants to Brendoncare Clubs amounting to £247,000 (2020: £403,000). The fundraising support grant reduced from £180,000 to £nil. The remaining grant reflects management services provided by The Brendoncare Foundation totalling £247,000 (2020: £223,000).

The Brendoncare Foundation also controls Brendon Nursing Trust Limited and Meadway Houses (Winchester) Limited which are both currently dormant.

14 Parent Charity

The parent Charity's gross income and the results for the year are disclosed as follows:

	2021	2020
	£'000	£'000
Gross income	25,508	25,585
Result for the year	(863)	1,276

During the prior year, The Brendoncare Foundation reversed a provision of £320,000 against amounts due from Brendoncare Enterprises Limited as part of the loan to the subsidiary. This was included in debtors in the prior year and the amount was repaid during the year.

15 Debtors

	The group		The Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	1,518	1,581	1,517	1,579
Amounts owed by subsidiaries	-	-	23	310
Other debtors	3	10	3	10
Prepayments & accrued income	327	328	320	315
	1,848	1,919	1,863	2,214

16 Creditors: amounts falling due within one year

	The group		The Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans	924	924	924	924
Trade creditors	884	1,205	882	1,198
Amounts owed to subsidiaries	-	-	-	20
Taxation and social security	305	251	305	251
Other creditors	977	1,149	970	1,138
Accruals and deferred income	2,881	1,996	2,872	1,982
	5,971	5,525	5,953	5,513

Notes to the financial statements

For the year ended 31 March 2021

17 Creditors: amounts falling due after one year

	The group		The Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amount due between two and five years:				
Bank loans	4,333	4,746	4,333	4,746
Deferred income	24	24	24	24
	4,357	4,770	4,357	4,770
Amounts due after five years:				
Bank loans	7,145	7,657	7,145	7,657
Loans from NHS	50	50	50	50
Amounts due under finance leases	2,014	2,017	2,014	2,017
Deferred income	1,885	1,892	1,891	1,892
	15,451	16,386	15,457	16,386
Secured creditors included in Notes 16 and 17	14,105	15,301	-	15,301

Brendoncare purchased the Springfield site, Tooting, from the National Health Service for £1.6 million in 1989, wholly funded by a capital grant from the NHS. The NHS also made a grant towards building Ronald Gibson House on that site, bringing the capital grants to £1.75 million in total, secured by a charge on the property. As explained in Note 19, these grants have been treated as deferred income.

Banks loans

Each of the bank loans is secured by a first legal charge over one or more specified properties.

The loans are on a mix of fixed and variable rate terms (mostly related to LIBOR) and are repayable by instalments over the period 2014 to 2041. Sterling interest rate swaps entered into for the period 2020 to 2024 effectively convert part of the debt to fixed rate terms, as follows:

In £'000		2020/21	2019/20
Principal		£8,500	£8,500
Interest rate		3.0%	3.0%

In £'000	Expires within	Notional principal	Fair value asset	Fair value liability
Pay fixed for variable (3 month LIBOR)	1-5 years	£8,500	-	£221

Loans from the National Health Service

The Old Parsonage, Otterbourne

The loan agreement with Winchester Health Authority in respect of its loan of £50,000 stipulates that, in the event of the Otterbourne property being sold, or ceasing to be used as a Brendoncare home, the loan becomes repayable. The loan is non-interest bearing.

Finance leases

Finance leases are secured over the assets to which they relate.

Notes to the financial statements

For the year ended 31 March 2021

18 Interest rate swap liability

	The group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Opening balance	270	105	270	105
Fair value movement	(49)	165	(49)	165
	221	270	221	270

The interest rate swaps liability reflects the movement in the fair value of the interest rate swaps.

19 Deferred income

Deferred income comprises fee income paid in advance, deferred gain on the disposal of the apartments at Otterbourne Hill and the NHS grant as detailed in note 17.

	The group		The Charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	2,016	2,186	2,016	2,186
Amount released to income in the year	(102)	(680)	(102)	(680)
Amount deferred in the year	517	510	517	510
Balance at the end of the year	2,431	2,016	2,431	2,016

20a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	31,551	3,461	35,012
Net current assets/(liabilities)	2,684	(1,733)	37	988
Long term liabilities	-	(15,672)	-	(15,672)
Net assets at the end of the year	2,684	14,146	3,498	20,328

The balance of designated funds includes the interest rate swap reserve within long term liabilities.

20b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	32,245	3,550	35,795
Net current assets/(liabilities)	3,260	(1,359)	92	1,993
Long term liabilities	-	(16,656)	-	(16,656)
Net assets at the end of the year	3,260	14,230	3,642	21,132

21a Movements in funds (current year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers and other income and expenses £'000	At the end of the year £'000
Restricted funds:					
Alton	47	-	(1)	-	46
Tooting	712	-	(31)	-	681
East Grinstead	891	-	(27)	-	864
Knightwood	340	-	(6)	-	334
Otterbourne Hill	1,379	-	(29)	-	1,350
Other funds	273	1,278	(1,328)	-	223
Total restricted funds	3,642	1,278	(1,422)	-	3,498
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	1,031	-	(29)	-	1,002
Sinking funds	2,928	187	(55)	-	3,060
Operations fund	10,987	24,402	(25,074)	527	10,842
Total designated funds	14,946	24,589	(25,158)	527	14,904
General funds	3,260	-	-	(576)	2,684
Total unrestricted funds	18,206	24,589	(25,158)	(49)	17,588
Interest rate swap reserve	(716)	-	(91)	49	(758)
Total funds	21,132	25,867	(26,671)	-	20,328

21b Movements in funds (prior year)

	At the start of the year £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Alton	56	-	(1)	(8)	47
Tooting	744	-	(32)	-	712
East Grinstead	917	-	(26)	-	891
Knightwood	347	-	(7)	-	340
Otterbourne Hill	1,497	-	(28)	(90)	1,379
Other funds	79	254	(158)	98	273
Total restricted funds	3,640	254	(252)	-	3,642
Unrestricted funds:					
Designated funds:					
Paul Woodhouse	1,058	-	(27)	-	1,031
Sinking funds	2,803	180	(55)	-	2,928
Operations fund	11,166	25,464	(24,401)	(1,242)	10,987
Total designated funds	15,027	25,644	(24,483)	(1,242)	14,946
General funds	1,486	-	-	1,774	3,260
Total unrestricted funds	16,513	25,644	(24,483)	532	18,206
Interest rate swap reserve	(512)	-	(39)	(165)	(716)
Total funds	19,641	25,898	(24,774)	367	21,132

Purposes of restricted funds

Restricted funds are those received by Brendoncare for a specific purpose as determined by the donor. Many of these have been used to support the building of care homes. The balances are as follows:

- Alton Fund - The balance on 31 March 2021, after depreciation, stood at £46,000 (2020: £47,000), and was fully invested in fixed assets for the Home.
- Ronald Gibson House Fund, Tooting - The balance on 31 March 2021 stood at £681,000 (2020: £712,000), all of which has been used to finance the development of the Home.
- Stildon Fund, East Grinstead - The balance on 31 March 2021 stood at £864,000 (2020: £891,000), which has been used for the development of the Home.
- Knightwood Fund - The balance on 31 March 2021 stood at £334,000 (2020: £340,000), and was fully invested in fixed assets for the Home.
- Otterbourne Hill Fund - The balance on 31 March 2021 stood at £1,350,000 (2020: £1,379,000) which was fully invested in the construction of the new care home.

Notes to the financial statements

For the year ended 31 March 2021

21 Movements in funds (continued)

- f) Other funds:
During the year Brendoncare Clubs received a grant of £89,000 from the National Lottery Community Fund towards the emergency appeal. This is included within other funds.

Grants of £25,000 and £5,000 have been received from the Gerald Palmer Eling Trust towards the Community Support Service and Otterbourne Hill care project respectively.

As a result of the COVID-19 pandemic, Brendoncare has received local authority and NHS support by way of COVID grants and infection control funds to support with mitigating the financial impact of the pandemic. These grants included restricted funds totalling £1,081,000 included in other funds. These fund have been fully spent in the year.

Purposes of designated funds

Designated fund are those relating to the properties used to generate income for The Brendoncare Foundation, which have not been restricted in any other way. Without these properties, Brendoncare would be unable to meet its charitable aims.

- g) Paul Woodhouse Fund - This fund comprises the net balance of the Paul Woodhouse Fund amounting to £1,031,000. In the event of disposal of any of the properties in which the Paul Woodhouse Fund was invested, the Trustees would intend to re-invest in further capital development the share of any proceeds attributable to that fund. The fund has reduced by £27,000 in the year as a result of depreciation charged.
- h) Sinking funds - these funds relate to the reserves for any capital repairs required to the leasehold apartments. The balances on 31 March 2021 stood at £1,463,000 (2020: £1,385,000) for Mary Rose Mews: £647,000 (2020: £655,000) for Old Parsonage Court £703,000 (2020: £640,000) for Knightwood Mews and £247,000 (2020: £248,000) for Stildon Mews.
- i) Operations Fund - The remaining fixed assets of Brendoncare, which are almost entirely devoted to delivery of its charitable activities, along with the cash, other assets and liabilities required to support these operations activities, are designated as they will remain invested for this purpose. This fund includes the remaining income and expenditure of Brendoncare that are not otherwise restricted or designated. The liabilities include bank loans and capital grants and loans from the National Health Service which, in substance, are only repayable in the event that the related care home ceases to be owned and operated by Brendoncare (see note 17). The balance of this fund on 31 March 2021 was £10,842,000 (2020: £10,987,000).

General funds

- j) The balance of this fund on 31 March 2021 stood at £2,684,000 (2020: £3,260,000). It comprises surplus cash balances which are retained for future investment in care homes. All fixed assets that have not been funded by restricted funds are in designated funds.
- k) **Interest rate swap reserve**
The balance of this fund on 31 March 2021 stood at a deficit of £758,000 (2020: deficit £716,000). It comprises the fair value movement in the interest rate swaps, and the charge representing the difference in the variable interest rate on the loans compared with the fixed rate achieved through the swap.

22 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Less than one year	77	149	3	4
One to five years	20	596	7	-
Over five years	40	3,789	-	-
	137	4,534	10	4

Notes to the financial statements

For the year ended 31 March 2021

22 Operating lease commitments (continued)

The Charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Less than one year	24	144	3	4
One to five years	-	576	7	-
Over five years	-	3,744	-	-
	24	4,464	10	4

23 Capital commitments

At the balance sheet date, the group had no capital commitments. In the prior year there were commitments of £22,000 in respect of the redevelopment of The Old Parsonage and £247,000 in respect of replacement servers and computer equipment. The server upgrade was completed in the year.

24 Contingent assets or liabilities

As referred to in note 17, the purchase of the freehold site and part of the construction costs of Ronald Gibson House in Tooting were funded by capital grants made by the NHS in 1989. The contractual arrangements to which Brendoncare was a party in 1989 provided that in certain circumstances Brendoncare would be obliged to repay to the NHS a proportion of the current value of Ronald Gibson House at the time of any such claim.

£1.75 million is included in creditors as deferred income, reflecting that proportion of the net book value of the freehold that might become repayable. If the current value were to exceed the net book value at the time of such a claim, then the increase in asset value would fund the contingent liability thus arising.

25 Events after the balance sheet date

In July 2021, Brendoncare drew down a £2m Coronavirus Business Interruption Loan. There are covenants attached to this loan which have been considered as part of the going concern assessment.

26 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.