

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2023



The Brendoncare Foundation

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Company no: 01791733

Charity no: 326508

The Brendoncare Foundation

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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

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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.

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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.

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- 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.

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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.	<p>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.</p> <p>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.</p> <p>During the course of the year, all homes returned to an open-door policy with visitors welcomed at any time.</p> <p>Mandatory use of masks was discontinued in December 2022 and routine testing discontinued by end March 2023.</p> <p>In Spring 2022, we saw a recovery in occupancy to pre-Covid levels and those levels have been maintained ever since.</p> <p>Colleagues continue to have access to support for any mental health concerns, including our Employee Assistance programme and our mental health First Aiders.</p>
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.	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We have established organisational values that we ask all colleagues and volunteers to support and work to.</p>

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.	<p>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.</p> <p>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.</p> <p>We increased resource in our people team to support the continued implementation of the new HR/payroll system and to assist with ER casework.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>We continue to invest in volunteering as part of our commitment to service quality and charitable impact.</p>
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.	<p>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.</p> <p>Financial performance is reviewed monthly both at an operational and corporate level, with action plans developed and monitored to address any areas of concern.</p>

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Key risk:	How managed:
Financial Sustainability: (Continued)	<p>Focus on management of people costs continues with ongoing investment in our workforce to reduce to impact of agency staffing.</p> <p>Targets are set and reviewed; forecasts are also prepared and monitored monthly to ensure proactive response to any financial issues.</p> <p>Monitoring of debtors has increased with review taking place monthly at corporate level to reduce risks around bad debts.</p>
Regulatory Compliance: Meeting the requirements of regulators including the CQC, the Charity Commission, and the Fundraising Regulator.	<p>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.</p> <p>The CQC inspected three services (two care homes and one assisted living site) and rated them as Good.</p> <p>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.</p> <p>Reporting and sharing learning from data breaches are embedded in practice.</p>
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.	<p>We regularly seek feedback on our services through surveys and external reviews.</p> <p>We have a documented complaints procedure in place to ensure that should the need arise, we address them appropriately.</p> <p>We regularly remind staff of their responsibilities with regard to safeguarding and whistle-blowing policies.</p> <p>We conduct Trustee training on safeguarding. Regular reviews in this area involving trustees and the leadership team drive training and policy reviews.</p>
Managing change: Supporting capacity to develop, grow, innovate and change to remain fit for future purpose whilst embracing technology and digital skills.	<p>Organisational objectives and plans are documented and shared with colleagues to enable them to understand Brendoncare's plans for future development and growth.</p> <p>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.</p>

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2023

Key risk:	How managed:
Managing change: (Continued).	<p>We have also implemented Fault Fixers software in all services for the logging and reporting of maintenance issues and regulatory building checks.</p> <p>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.</p> <p>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.</p>

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 £'000	2022 £'000	2023 £'000	2022 £'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	- 0	-	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

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 No.	2022 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 No.	2022 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.