

The Brendoncare Foundation

Report and Consolidated Financial Statements

31 March 2024



The Brendoncare Foundation

The Old Malthouse
Victoria Road
Winchester
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Company no: 01791733

Charity no: 326508

The Brendoncare Foundation

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For the year ended 31 March 2024

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The Brendoncare Foundation

Reference and administrative details

For the year ended 31 March 2024

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

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Reference and administrative details

For the year ended 31 March 2024

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

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

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

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

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

Chief Executive's Summary

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

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

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

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

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

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

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

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

Michael Crutchley
Chief Executive

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Report of the Trustees

For the year ended 31 March 2024

Objectives and Activities

Our vision and purpose support our commitment to older people.

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

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

Our values:

We are kind.

We are empowering.

We are dedicated.

We are forward thinking.

Strategic Report

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

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

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

Achievements and Charitable Objectives

40th Anniversary

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

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

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

Charitable Impact

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

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Report of the Trustees

For the year ended 31 March 2024

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

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

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

Care for Life

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

Care and Wellbeing

Initiatives launched during the year included:

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

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For the year ended 31 March 2024

Operating Review

Brendoncare's principal activities and objectives are:

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

Care Homes

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

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

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

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

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

Extra Care Housing

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

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

Old Parsonage Court

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

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For the year ended 31 March 2024

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

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

Community Services

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

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

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

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

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

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

Volunteering

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

We currently have:

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

Colleagues

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

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

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

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

Over the past year, we have:

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

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

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

Remuneration Policy

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

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

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

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The annual review takes account of the following external factors:

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

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

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

Impact and Effectiveness

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

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

Energy and carbon reporting

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

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

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

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

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

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

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For the year ended 31 March 2024

continue to evolve our flexible working models.

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

Customers and Suppliers

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

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

FINANCIAL REVIEW

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

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

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

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

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

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

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For the year ended 31 March 2024

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

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

GOING CONCERN

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

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

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

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

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

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

Assets and Investments

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

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

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

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

Cash, Borrowings and Interest

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

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

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

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

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

Reserves Policy

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

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

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

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

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

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

Fundraising Practices

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

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

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

The Trustees periodically review fundraising standards and compliance.

FUTURE PLANS

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

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

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

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

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



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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

Governance and Management

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

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

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

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

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

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

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

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

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

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

EMPLOYEE ENGAGEMENT AND POLICIES

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

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

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

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

The Brendoncare Foundation

Report of the Trustees

For the year ended 31 March 2024

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

Statement of responsibilities of the Trustees

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

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

In so far as the Trustees are aware:

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

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

Auditor

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

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

Philip Dowson
Chairman of Trustees

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinion

We have audited the financial statements of The Brendoncare Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

Independent auditor's report

To the members of

The Brendoncare Foundation

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

To the members of

The Brendoncare Foundation

Capability of the audit in detecting irregularities

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

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

29 January 2025

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

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

The Brendoncare Foundation

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

For the year ended 31 March 2024

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

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

The Brendoncare Foundation

Balance sheets

Company no. 01791733

As at 31 March 2024

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

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

Philip Dowson
Chairman

Fay Gillott
Trustee

The Brendoncare Foundation

Consolidated statement of cash flows

For the year ended 31 March 2024

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

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

Analysis of cash and cash equivalents and of net debt

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

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

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

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

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

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

c) Public benefit entity

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

d) Going concern

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

e) Income

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

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

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

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

1 Accounting policies (continued)

e) Income

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

f) Interest receivable

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

g) Fund accounting

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

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

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

h) Expenditure and irrecoverable VAT

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

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

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

i) Allocation of support costs

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

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

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

1 Accounting policies (continued)

j) Interest payable

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

k) Leases

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

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

l) Tangible fixed assets

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

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

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

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

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

m) Debtors

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

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

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

o) Creditors and provisions

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

1 Accounting policies (continued)

p) Financial instruments

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

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

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

q) Pensions

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

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

r) Sinking funds

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

Notes to the financial statements

For the year ended 31 March 2024

2 Income from donations and legacies

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

3 Income from charitable activities

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

Notes to the financial statements

For the year ended 31 March 2024

4a Analysis of expenditure (current year)

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

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2024

4b Analysis of expenditure (prior year)

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

Notes to the financial statements

For the year ended 31 March 2024

5 Net income for the year

This is stated after charging/(crediting):

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

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

Staff costs were as follows:

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

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

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

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

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

Notes to the financial statements

For the year ended 31 March 2024

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

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

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

7 Staff numbers

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

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

8 Related party transactions

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

9 Taxation

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

Notes to the financial statements

For the year ended 31 March 2024

10 Tangible fixed assets

The group

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

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

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

All of the above assets are used for charitable purposes.

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

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

11 Subsidiary undertakings

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

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

Brendoncare Enterprises has been dormant throughout the current year.

The Brendoncare Foundation

Notes to the financial statements

For the year ended 31 March 2024

11 Subsidiary undertakings (continued)

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

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

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

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

12 Parent Charity (The Brendoncare Foundation)

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

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

Notes to the financial statements

For the year ended 31 March 2024

13 Debtors

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

14 Creditors: amounts falling due within one year

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

15 Creditors: amounts falling due after one year

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

Amounts due under finance leases

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

Notes to the financial statements

For the year ended 31 March 2024

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

Bank loans

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

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

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

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

Loans from the National Health Service

The Old Parsonage, Otterbourne

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

Coronavirus Loan

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

16 Interest rate swap liability

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

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

17 Deferred income

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

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

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

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

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

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

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

19a Movements in funds (current year)

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

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

Notes to the financial statements

For the year ended 31 March 2024

19b Movements in funds (prior year)

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

Purposes of restricted funds

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

Purposes of designated funds

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

General funds

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

Other funds

Interest rate swap reserve

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

Sinking Funds

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

Other Funds

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

Notes to the financial statements

For the year ended 31 March 2024

20 Operating lease commitments

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

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

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

21 Capital commitments

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

22 Legal status of the Charity

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