

# LINCOLNSHIRE HOUSE ASSOCIATION

England & Wales · Charity number 700717

## Details

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**Other names** FIRST BRICK APPEAL, THE WISH APPEAL

**Status** Registered

**Legal form** Charitable company

**Company number** [02262217](#)

**Registered** 1988-10-17

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
DN17 1AF

**Phone** 01724844168

**Email** [admin@lincshouse.com](mailto:admin@lincshouse.com)

**Website** [www.lincshouse.com](http://www.lincshouse.com)

## Activities

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**Objects:** THE COMPANY WAS ESTABLISHED FOR CHARITABLE PURPOSES ONLY CONNECTED WITH THE RESIDENTIAL, RESPITE, ACTIVITY AND ACCOMMODATION NEEDS OF PEOPLE WITH SOME FORM OF CEREBRAL PALSY OR SIMILAR DISABILITY. TO PROVIDE CARE FOR PEOPLE WHO HAVE SOME FORM OF CEREBRAL PALSY OR SIMILAR DISABILITY AND IN PARTICULAR, WITHOUT LIMITATION TO FORMULATE FINANCIAL AND GENERAL POLICY, MANAGE AND RAISE FUNDS FOR THE LINCOLNSHIRE HOUSE AT SCUNTHORPE (HEREINAFTER CALLED "THE CENTRE")

**Activities:** Lincolnshire House is a registered charity based in Scunthorpe, North Lincolnshire, providing residential, day and respite care services for adults with Cerebral Palsy and Similar Disabilities. We provide high quality residential accommodation for 35 residents with day and 2 respite care facilities for people who have some form of Cerebral Palsy.

## Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, Accommodation/housing
- **Who:** People With Disabilities

## Geography

- North Lincolnshire

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,362,519	£2,090,769	£6,227,828	71
2024-03-31	£2,191,571	£1,919,413	£5,956,078	71
2023-03-31	£1,855,263	£1,717,700	£5,683,920	70
2022-03-31	£1,855,210	£1,635,642	£5,546,357	71
2021-03-31	£1,859,558	£1,672,822	£5,326,789	74

## Trustees

Name	Role	Appointed
Andrew Cheffings		2023-09-13
BRENDAN GEORGE TAYLOR		
GILLIAN ANN SMITH		2026-05-13
IRENE VICTORIA CROWTHER		2014-02-11
Janet HUMPHRIES		2025-05-15
NICOS SOFRONIOU		
ROBERT CHARLES EYNOTT		2012-10-30
SUSAN KATHLEEN EYNOTT		
Sam Ian Jervis		2023-11-15

**LINCOLNSHIRE HOUSE ASSOCIATION**

England & Wales - Charity number 700717

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# Accounts

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**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements**

**For the year ended**

**31 March 2025**

**Registered company number: 2262217**

**Registered charity number: 700717**

**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements for the year ended 31 March 2025**

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**Executive Council's report for the year ended 31 March 2025**

The council are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ending 31 March 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) published in October 2019.

**Reference and administrative information**

Charity name: Lincolnshire House Association  
Charity registration number: 700717  
Company registration number: 2262217  
Registered office and operational address: Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire, DN17 1AF

The members of the Executive Council at the date of this report and who served during the year were as follows:

Mrs S K Eynott (Secretary) (resigned 06 December 2024)  
Mr N C Sofroniou  
Mr B G Taylor  
Mr R C Eynott  
Miss G Smith  
Ms I V Crowther  
Mrs W Liles  
Mrs L Haresign  
Mrs J Hodge (resigned 12 June 2025)  
Mr A Cheffings (appointed secretary 06 December 2024)  
Mr S I Jervis  
Mrs J Humphries (appointed 14 May 2025)

**Manager**

Mr I Millard (retired 30 September 2024)  
Mr J Baker (appointed 09 September 2024)

**Auditors**

RNS Chartered Accountants, 50-54 Oswald Road, Scunthorpe, DN15 7PQ

**Bankers**

HSBC Bank plc, 84 High Street, Scunthorpe, North Lincolnshire, DN15 6HQ

**Solicitors**

The Company has not formally appointed solicitors but uses a number of local firms as the need arises and depending upon the expertise required.

**Executive Council's report for the year ended 31 March 2025 (continued)**

**Objectives and activities**

Lincolnshire House provides high quality residential accommodation and day care together with respite care for persons with cerebral palsy and associated or similar disabilities. Care services include education, treatments and the promotion of independence together with the necessary advice and support.

The policies adopted in furtherance of these aims are:

- a) We expend Local Authority, Social Security Benefits funding and other sundry income in a prudent manner for the purpose of the day to day running of Lincolnshire House.
- b) We organise fund raising events, which, together with donations and any surplus designated from the general fund to the WISH Appeal, are to be applied to the construction of further residential accommodation either in the local community or on our existing site.
- c) Lincolnshire House continues to improve the facilities provided for the residences, day attendees and those on respite care. By a continuous programme of staff training we aim to improve on our existing high standards of care.
- d) To widen the experiences of our service users we are establishing relationships with other similar organisations in the local area by arranging regular interchange visits. We will expand this activity in the coming year.
- e) To help further improve our service and ensure continuation of our quality level we continue to address concerns and comments arising from our regular quality assurance surveys.

In shaping our objectives for the year and planning our activities, the council have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**STRATEGIC REPORT**

**Achievements and performance**

The Wish Appeal income has remained similar at £14,884 compared to £14,617 the previous year. £12,222 was raised through fundraising events and £2,662 was donated.

The 200 club has raised £4,130  
Horse Racing £792  
Summer Fete £1,687  
Sportsman's Dinner £2,487

These were the fundraising events along with support from car boot sales and the Xmas fayre. Thank you to everyone who has supported our fundraising.

The hot tub continues to be used by both residents and day service users. This has proved to be an enjoyable experience and has many therapeutic values. We hope to install the swim spa in the future, which everyone is excited about.

Our respite offering has returned due to staffing improvements and regular and recurring respite stays are now happening and booked for the future. Day care has returned to normal and many more activities are being offered to everyone.

There has not been an inspection from CQC as this is monitored with regular assessments, our rating remains good. We have received the annual validation by North Lincolnshire Council, no issues or concerns were raised; any recommendations are being actioned.

**Executive Council's report for the year ended 31 March 2025 (continued)**

We continue to invest and always look at ways to improve the accommodation. We are continuing to see the benefits of investing in solar energy and intend to have more solar panels fitted over the coming year.

In the past year there has been one new resident who has come to live permanently at Lincolnshire House.

**Key performance indicators**

The Executive Council monitors the number of residents and day care attendees being housed and supported by the charity. The average numbers are:

	<u>2025</u> No	<u>2024</u> No
Permanent residents	31	35
Regular day care attendees	14	10

**Financial review**

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £14,884. £19,266 was transferred to the Completed Assets fund during phase 10 of the development leaving a balance of £nil in the restricted WISH Appeal fund, after the over-spend of £4,382 was transferred from the WISH Appeal designated fund. This leaves a cumulative designation of £96,092 for the WISH Appeal whenever this is required. The Activities fund is the only restricted fund.

Income for the general running expenses amounted to £2,347,537 of which £2,089,228 was expended. The closing balance of general unrestricted reserves amounted to £3,263,498. The Assets Completed Fund is £2,868,238.

Sponsoring authorities are the main source of income for the charity. Some fundraising is done in the local community and these events are generally run by our employees. We believe we are compliant with GDPR when contacting our supporters and this is done directly by our trained employees to prevent unreasonable intrusion on a person's privacy, unreasonably persistent methods to receive a donation and undue pressure on a person to give a donation. We have received no complaints regarding our fund raising procedures during the year.

Sponsoring authorities remain committed to the residents of Lincolnshire House and the general reserves are maintained in line with the policy objectives.

**Reserves policy**

As of 31 March 2025, Lincolnshire House Association's average monthly expenditure was £174,102, this includes an average monthly salary bill of around £134,803.

Lincolnshire House Association has decided to aim to keep 12-18 months running costs in reserve, a target range of between £2,089,228 and £3,133,842.

Currently, as at 31 March 2025, it has free reserves of £3,198,578 (unrestricted funds £6,227,828 minus tangible assets £2,933,158 minus designated WISH Appeal fund £96,092).

The current level of reserves, therefore, sits just above the 'target range' above.

Lincolnshire House Association has decided on a target range of 12-18 months expenditure to allow for challenges still faced with the continuing impact of Covid, plus the challenging increase in inflation and rising energy costs on the charity. This is considered necessary to ensure the critical nature of the services provided could continue with minimum impact on the residents should Lincolnshire House Association have to close.

**Executive Council's report for the year ended 31 March 2025 (continued)**

**Plans for the future**

We will:

- Set future fundraising objectives.
- Install the swim spa.
- Install more solar panels.
- Continue to revamp en-suites and bathrooms.
- Review senior management structure.

**Structure, governance and management**

Lincolnshire House Association is a Charity governed by the Memorandum and Articles of Association and under which the Company is incorporated as a company limited by guarantee.

The Company continues to seek new members for the Executive Council from both public and from the residents of Lincolnshire House. When recruited, new members are given advice and information as to the objectives, policies and procedures of the organisation.

The Manager is responsible to and attends and reports to all meetings of the Executive Council on significant day to day events. All major decisions are discussed at the meetings of the Council and are delegated for implementation either through the Manager or by one or more representatives of the Council and the Manager.

The major risks, to which the Company is exposed, as identified by the Executive Council, have been reviewed and systems have been established to mitigate those risks.

The Executive Council considers that the key risks and uncertainties facing the charity are a mix of issues relating to finance, governance and people.

The financial impact of the cost of living crisis means that budgeting and forecasting accurately are more difficult and ensuring that suppliers deliver value for money to the charity is increasingly important. Funding is always a key concern and the charity continues to keep in close contact with Local Authorities and private funders in order to maintain those income streams.

Through the passage of time, trustees will retire and there is a risk to good governance, if the charity does not maintain suitably experienced trustees. The charity is currently reaching out to the local community to recruit suitable new trustees.

Staffing and recruitment are issues for all businesses in all sectors and there is always the potential risk of being unable to recruit adequately experienced and qualified staff. The charity is well aware of this issue and has active recruitment and staffing policies in place to mitigate this risk.

**Executive Council's report for the year ended 31 March 2025 (continued)****Executive Council's responsibilities**

The Council's members (who are also the directors of Lincolnshire House Association for the purposes of company law) are responsible for preparing a Council's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council's members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the members of the Council are required to:

- a) Select suitable accounting policies and apply them consistently.
- b) Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- c) Make judgements and estimates that are reasonable and prudent.
- d) State whether applicable UK accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council's members are responsible for keeping proper 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Statement as to disclosure to our auditors**

In so far as the Council members are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the council members 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.

In approving the Council's Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Council:

**Principal address and  
Registered office**

Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire  
DN17 1AF



**Ms I V Crowther**  
**Representative of**  
**the Executive Council**

**Date: 17.10.25**

**Independent Auditor's Report to the Council Members of Lincolnshire House Association****Opinion on financial statements**

We have audited the financial statements of Lincolnshire House Association for the year ended 31 March 2024, which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Executive Council's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

We have nothing to report in this regard.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

**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 Executive Councils' report, incorporating the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Executive Councils' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Executive Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement set out on page 4, the Executive Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Council 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 Executive Council are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intend to liquidate the 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**

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 as 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 is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

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

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the key laws and regulations under which the charity operates and whether management were aware of any instances of non-compliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning any actual and potential litigation and claims;
- performing 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 in revenue recognition, in addition to our testing described above we have performed focussed testing on income arising close to the year-end combined with analytical review procedures to assess accuracy and completeness of revenue recognised;
- in addressing the risk of fraud in the use of purchase ledger and credit card transactions, we have reviewed the controls surrounding the transactions and whether purchases have been appropriately authorised at each relevant stage;
- in addressing the risk of fraud in payroll, we have tested the control procedures surrounding the authorisation of both timesheets and the payroll itself, sought confirmation over the responsibility of staff members involved in the payroll process and confirmed the existence of a sample of employees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

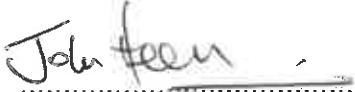
Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from 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/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)**

**Use of our report**

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



**Mr J Heenev BA FCA**  
**Senior Statutory Auditor**

For and on behalf of:  
**RNS Chartered Accountants**  
**Statutory Auditors**

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

**Date:** 17 October 2025

**Statement of financial activities (including income and expenditure account)**

**For the year ended 31 March 2025**

	<u>Restricted</u> <u>funds</u> <u>2025</u> £	<u>Unrestricted</u> <u>funds</u> <u>2025</u> £	<u>Total</u> <u>funds</u> <u>2025</u> £	<u>Total</u> <u>funds</u> <u>2024</u> £
	<u>Notes</u>			
<b>Income from:</b>				
Donations	2,662	16,248	18,910	3,746
Charitable activities	3	2,213,748	2,213,748	2,047,597
Other trading activities – fundraising events	12,222	-	12,222	10,871
Other	98	2,170	2,268	4,453
Investment income - bank interest	-	115,371	115,371	124,904
<b>Total income</b>	<b>14,982</b>	<b>2,347,537</b>	<b>2,362,519</b>	<b>2,191,571</b>
<b>Expenditure on:</b>				
Charitable activities	4	2,089,228	2,090,769	1,919,413
<b>Total expenditure</b>	<b>1,541</b>	<b>2,089,228</b>	<b>2,090,769</b>	<b>1,919,413</b>
<b>Net income</b>	<b>13,441</b>	<b>258,309</b>	<b>271,750</b>	<b>272,158</b>
<b>Transfers between funds</b>	<b>(12,516)</b>	<b>12,516</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds for the year</b>	<b>925</b>	<b>270,825</b>	<b>271,750</b>	<b>272,158</b>
Total funds brought forward	(925)	5,957,003	5,956,078	5,683,920
<b>Total funds carried forward</b>	<b>-</b>	<b>6,227,828</b>	<b>6,227,828</b>	<b>5,956,078</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

**Summary income and expenditure account**

**Year ended 31 March 2025**

	<u>2025</u> £	<u>2024</u> £
Income	2,247,148	2,066,667
Investment income	115,371	124,904
	<hr/>	<hr/>
Gross income	2,362,519	2,191,571
Expenditure	2,090,769	1,919,413
	<hr/>	<hr/>
<b>Net income</b>	<b>271,750</b>	<b>272,158</b>
	<hr/> <hr/>	<hr/> <hr/>

**Balance sheet as at 31 March 2025****Company number: 2262217**

	<b>Notes</b>	£	<b>2024</b> £	£	<b>2024</b> £
<b>Fixed assets</b>					
Tangible assets	8		2,933,158		2,998,665
<b>Current assets</b>					
Stocks	9	2,200		2,200	
Debtors	10	181,409		168,636	
Cash at bank and in hand		3,329,752		2,948,449	
<b>Total current assets</b>		3,513,361		3,119,285	
<b>Liabilities</b>					
Creditors falling due within one year	11	218,691		161,872	
<b>Net current assets</b>			3,294,670		2,957,413
<b>Net assets</b>			6,227,828		5,956,078
<b>The funds of the charity</b>					
Restricted funds	14		-		(925)
Unrestricted funds	13		6,227,828		5,957,003
<b>Total charity funds</b>	17		6,227,828		5,956,078

The financial statements were approved by the Executive Council on 17.10.25

*A.V. Crowther*

**Ms I V Crowther**  
**Representative of the Executive Council**

**Statement of cash flows****Year ended 31 March 2025**

	<b>2025</b> £	<b>2024</b> £
<b>Cash flow from operating activities</b>		
Net income for the year	271,750	272,158
Depreciation	86,914	82,758
Interest receivable	(115,371)	(124,904)
Increase in debtors	(28,142)	(11,501)
(Decrease)/increase in creditors	56,819	(10,624)
Profit on disposal	-	(827)
	<hr/>	<hr/>
	271,970	207,060
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>		
Interest received	130,740	59,208
Payments to acquire tangible fixed assets	(21,407)	(133,116)
Proceeds from sale of tangible fixed assets	-	1,000
	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	109,333	(72,908)
	<hr/>	<hr/>
<b>Increase in cash and cash equivalents in the year</b>	381,303	134,152
<b>Cash and cash equivalents at 1 April 2024</b>	2,948,449	2,814,297
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2025</b>	3,329,752	2,948,449
	<hr/>	<hr/>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	3,329,752	2,948,449
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2025</b>	3,329,752	2,948,449
	<hr/>	<hr/>

**Notes to the financial statements for the year ended 31 March 2025****1 Summary of significant accounting policies****General information and basis of preparation**

Lincolnshire House Association is a private limited company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the executive council's report on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Council in furtherance of the general objectives of the charity where these have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

The Charity receives funding from local authorities for the provision of residential care and assisted living services. Income from local authorities is recognised as follows:

- **Contractual Arrangements:**

Income is recognised as the related care services are provided, in line with the delivery of performance obligations under the contract or placement agreement. Daily or weekly fees are accrued based on the agreed rate and the number of chargeable days of care delivered within the reporting period.

- **Deferred and Accrued Income:**

Where funding is received in advance of services being provided, the income is deferred and recognised when earned. Conversely, where care has been provided but not yet invoiced or received, income is accrued to reflect the entitlement.

- **Adjustments and Reviews:**

Local authority funding may be subject to retrospective reviews or reconciliations. Any adjustments arising from such reviews are recognised in the period in which they become known.

**Notes to the financial statements for the year ended 31 March 2025 (continued)****1 Summary of significant accounting policies (continued)**

Residents may contribute to their care fees from their own income, including state pensions, attendance allowance, or other social security benefits.

These amounts are recognised as income when the Charity is entitled to receive them, typically when care is provided and the contribution becomes due under the resident's funding agreement.

Where the Charity receives social security benefits directly from the Department for Work and Pensions (DWP) or other agencies on behalf of residents:

- Such receipts are recognised as income of the Charity when they are applied to meet the cost of care and accommodation services provided.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

**Government grants**

Government grants are accounted for under the accruals model. Revenue based grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.

**Expenditure recognition**

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

Expenditure on charitable activities includes the costs of the provision of the residential accommodation and day care facilities and care services including education, treatments, advice and support.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Notes to the financial statements for the year ended 31 March 2025 (continued)****1 Summary of significant accounting policies (continued)****Governance costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold buildings	2%	per annum of cost
Fixtures and fittings	25%	per annum of net book value
Motor vehicles	25%	per annum of net book value

**Stocks**

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

**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.

**Cash at bank and in hand**

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

**Creditors**

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.

**Taxation**

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

**Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Notes to the financial statements for the year ended 31 March 2025 (continued)****1 Summary of significant accounting policies (continued)****Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Going concern**

The financial statements have been prepared on a going concern basis as the Council believe that no material uncertainties exist. The Council have considered the level of funds held and the expected

level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2 Legal status**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**3 Income from charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2025</u>	<u>2024</u>
	£	£	Total	Total
			£	£
Social Security Benefits	-	233,521	233,521	209,921
Local Authorities	-	1,654,536	1,654,536	1,540,921
Third parties	-	325,691	325,691	296,755
	-	2,213,748	2,213,748	2,047,597

**4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2025</u>	<u>2024</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,455,645	1,455,645	1,276,629
Food and provisions	-	56,493	56,493	56,160
Repairs and renewals	-	112,208	112,208	148,545
Telephone charges	-	2,082	2,082	1,294
Printing, stationery and advertising	-	23,328	23,328	18,709
Travel and motor expenses	-	4,662	4,662	6,794
Heating and light	-	83,141	83,141	68,489
Insurance	-	35,390	35,390	32,512
Rates	-	24,973	24,973	20,400
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	5,210	5,210	3,218
Cleaning and sundry	-	17,492	17,492	13,213
Activities	1,541	-	1,541	1,356
Depreciation	-	86,914	86,914	82,758
Profit on disposal of assets	-	-	-	(827)
Governance costs (see note 5)	-	175,911	175,911	184,384
	1,541	2,089,228	2,090,769	1,919,413

**Notes to the financial statements for the year ended 31 March 2025 (continued)****5 Analysis of governance costs**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2025</u>	<u>2024</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	2,067	2,067	2,456
Accountancy and audit fees	-	5,847	5,847	5,919
Legal and professional fees	-	6,007	6,007	6,518
Administration salaries	-	157,476	157,476	163,029
Administration staff pensions	-	4,514	4,514	6,462
	-	175,911	175,911	184,384

**6 Net income for the year**

This is stated after charging:

	<u>2025</u>	<u>2024</u>
	£	£
Depreciation and amortisation of owned assets	86,914	82,758
Profit on disposal of tangible assets	-	(827)
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	2,247	2,319

**7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

The total staff costs and employees' benefits was as follows:

	<u>2025</u>	<u>2024</u>
	£	£
Wages and salaries	1,480,171	1,326,127
Social security costs	104,081	86,891
Pension costs	33,383	33,102
	1,617,635	1,446,120

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	<u>2025</u>	<u>2024</u>
£60,001 - £70,000	0	1
	0	1

**Notes to the financial statements for the year ended 31 March 2025 (continued)****Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)**

The charity trustees did not receive any remuneration or other benefits from employment with the charity in the year (2024: £nil), neither were they reimbursed expenses during the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Total remuneration of key management personnel in the year was £64,363 (2024: £72,284).

The average monthly head count was 71 staff (2024: 71 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<u>2025</u>	<u>2024</u>
Charitable activities	67	67
Governance	4	4
	<u>71</u>	<u>71</u>

**8 Tangible fixed assets**

	<u>Leasehold property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b><u>Cost</u></b>				
At 1 April 2024	4,029,327	185,819	79,597	4,294,743
Additions	19,266	2,141	-	21,407
Disposals	-	-	-	-
At 31 March 2025	4,048,593	187,960	79,597	4,316,150
<b><u>Depreciation</u></b>				
At 1 April 2024	1,055,971	169,974	70,133	1,296,078
Provided during the year	80,586	3,961	2,367	86,914
Re disposals during the year	-	-	-	-
At 31 March 2024	1,136,557	173,935	72,500	1,382,992
<b><u>Net book value</u></b>				
At 31 March 2025	2,912,036	14,025	7,097	2,933,158
At 31 March 2024	2,973,356	15,845	9,464	2,998,665

**Notes to the financial statements for the year ended 31 March 2025 (continued)**

**9 Stocks**

	<u>2025</u> £	<u>2024</u> £
Consumables	2,200	2,200

**10 Debtors: All receivable within one year**

	<u>2025</u> £	<u>2024</u> £
Trade debtors	57,792	93,106
Prepayments and accrued income	123,617	75,530
	<u>181,409</u>	<u>168,636</u>

**11 Creditors: Amounts falling due within one year**

	<u>2025</u> £	<u>2024</u> £
Trade creditors	32,657	14,276
Other tax and social security	3,706	19,783
Other creditors	4,063	6,737
Accruals and deferred income	178,265	121,076
	<u>218,691</u>	<u>161,872</u>

**12 Pension costs**

The Association operates a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The cost for the year was £33,383 (2024: £33,102).

**13 Analysis of movement in unrestricted funds**

	<u>Retained</u> <u>Surplus</u> £	<u>Assets</u> <u>Completed</u> £	<u>Designated</u> <u>Fund for</u> <u>WISH Appeal</u> £	<u>Total</u> <u>Unrestricted</u> <u>Funds</u> £
Balance at 1 April 2024	2,928,011	2,928,518	100,474	5,957,003
Incoming resources	2,347,537	-	-	2,347,537
Resources expended	(2,009,682)	(79,546)	-	(2,089,228)
Transfers	(2,368)	19,266	(4,382)	12,516
	<u>3,263,498</u>	<u>2,868,238</u>	<u>96,092</u>	<u>6,227,828</u>

**Notes to the financial statements for the year ended 31 March 2025 (continued)****Analysis of movement in unrestricted funds (continued)**

The Retained Surplus represents the free funds of the Charity which are not designated for particular purposes.

The Assets Completed Fund has been set up to assist in identifying those funds that are not free funds, and it represents the value of assets now completed less accumulated depreciation which have been funded from the First Brick and WISH Appeal.

The Designated Fund represents funds allocated to the WISH Appeal.

**14 Analysis of movement in restricted funds**

	<u>Activities</u> <u>Fund</u> £	<u>WISH</u> <u>Appeal</u> <u>Fund</u> £	<u>Total</u> <u>Restricted</u> <u>Funds</u> £
Balance at 1 April 2024	(925)	-	(925)
Incoming resources	98	14,884	14,982
Resources expended	(1,541)	-	(1,541)
Transfers	2,368	(14,884)	(12,516)
Balance at 31 March 2025	-	-	-

**15 Control relationships**

The Association was controlled throughout the current and previous period by its Executive Council.

**16 Related party transactions**

Architectural Design Services (Scunthorpe) Limited (owned by executive council member A Cheffings) – transactions totalled £3,491.20 in 2025 (2024: £nil). The balance outstanding at the year end was £nil (2024: £nil).

**17 Analysis of net assets between funds**

Fund balances at 31 March 2025 are represented by:

	<u>Restricted</u> <u>funds</u> £	<u>Unrestricted</u> <u>funds</u> £	<u>Total</u> £
Tangible fixed assets	-	2,933,158	2,933,158
Cash at bank and in hand	-	3,329,752	3,329,752
Other net current assets/(liabilities)	-	(35,082)	(35,082)
Total	-	6,227,828	6,227,828

**General account for the year ended 31 March 2025**

	<b><u>2025</u></b>	<b><u>2024</u></b>
	£	£
<b>Income</b>		
Social security benefits and third parties	249,420	230,843
Personal allowances	(15,899)	(20,922)
Local authority and third parties		
- day attenders	130,375	113,470
- funding	1,543,434	1,473,830
- respite care	45,467	11,008
- assessment fees	4,719	578
- continuing care	249,134	230,480
Sundry receipts	7,098	8,310
Grants received	1,480	3,500
Rents received	690	750
Bank interest receivable	115,371	124,904
Donations	16,248	-
	<u>2,347,537</u>	<u>2,176,751</u>
<b>Less: Overheads</b>		
Salaries and employees healthcare	1,617,635	1,446,120
Food and provisions	56,493	56,160
Repairs and renewals	112,208	148,545
Telephone charges	2,082	1,294
Printing, stationery and advertising	23,328	18,709
Travel and motor expenses	4,662	6,794
Heating and lighting	83,141	68,489
Insurances	35,390	32,512
Rates	24,973	20,400
Accountancy charges	5,847	5,919
Bank charges	2,067	2,456
Legal, professional and CRB fees	6,007	6,518
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	5,210	3,218
Cleaning and sundry expenses	17,492	13,213
Depreciation	86,914	82,758
Profit on disposal of tangible assets	-	(827)
	<u>2,089,228</u>	<u>1,918,057</u>
<b>Net surplus for the year</b>	<u>258,309</u>	<u>258,694</u>

**Activities income and expenditure account for the year ended 31 March 2025**

	<u>2025</u>		<u>2024</u>
	£		£
Balance brought forward	(925)		228
<b>Income</b>			
Arts and crafts	-	138	
Health and beauty	42	45	
Rekei	27	-	
Baking	29	20	203
	<u>          </u>	<u>          </u>	<u>          </u>
	(827)		431
<b>Expenditure</b>			
Arts and crafts	75	244	
Baking	20	5	
Farm visit	230	-	
Health and beauty	42	28	
General	464	1,079	
Rekei	60	-	
Abba	650	-	
	<u>          </u>	<u>          </u>	
	1,541		1,356
Balance carried forward	<u>(2,368)</u>		<u>(925)</u>
Transfer to unrestricted reserves	<u>2,368</u>		<u>-</u>
Balance carried forward	<u>          </u>		<u>(925)</u>

**The Wish Appeal Fund for the year ended 31 March 2025**

	<u>2025</u> £	<u>2024</u> £
<b>Income</b>		
Donations received	2,662	3,746
<b>Net Income from Fund Raising Efforts</b>		
200 Club	4,130	4,370
Car Boot sales	1,250	750
Summer Fete	1,687	1,640
Lincs Lotto	-	9
Easter Fayre	-	23
Horse Racing	792	1,006
Fire Walk	100	2,567
Christmas Fayre	1,739	506
Sportman's Dinner	2,487	-
Collection boxes	37	-
	<hr/>	<hr/>
	12,222	10,871
	<hr/>	<hr/>
<b>Total income</b>	14,884	14,617
	<hr/>	<hr/>
<b>Surplus for the year</b>	<u>14,884</u>	<u>14,617</u>

**The Wish Appeal Fund for the year ended 31 March 2025**

	<u>2025</u> £	<u>2024</u> £
Balance brought forward at 1 April 2024	-	-
Funds raised during the year	14,884	14,617
Capital expenditure transferred to Assets Completed Fund	(19,266)	(121,579)
Transfer from designated fund	4,382	106,962
	<hr/>	<hr/>
<b>Fund balance at 31 March 2025</b>	<u>-</u>	<u>-</u>
<b>Amount Designated for the fund from the Retained Surplus</b>		
Balance brought forward	100,474	207,436
Transfer to restricted fund	(4,382)	(106,962)
	<hr/>	<hr/>
<b>Balance at 31 March 2025</b>	<u>96,092</u>	<u>100,474</u>
	<hr/>	<hr/>
<b>Total Wish Appeal Fund</b>	<u>96,092</u>	<u>100,474</u>

**LINCOLNSHIRE HOUSE ASSOCIATION**

England & Wales - Charity number 700717

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# Accounts

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**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements**

**For the year ended**

**31 March 2024**

**Registered company number: 2262217**

**Registered charity number: 700717**

**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements for the year ended 31 March 2024**

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**Executive Council's report for the year ended 31 March 2024**

The council are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ending 31 March 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) published in October 2019.

**Reference and administrative information**

Charity name: Lincolnshire House Association  
Charity registration number: 700717  
Company registration number: 2262217  
Registered office and operational address: Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire, DN17 1AF

The members of the Executive Council at the date of this report and who served during the year were as follows:

Mrs S K Eynott (Secretary)  
Mr M Burnett (resigned 13 September 2023)  
Mr N C Sofroniou  
Mr B G Taylor  
Mr R C Eynott  
Miss G Smith  
Ms I V Crowther  
Mrs W Liles  
Mrs L Haresign  
Mrs J Hodge  
Mr A Cheffings (appointed 13 September 2023)  
Mr S I Jervis (appointed 13 November 2023)

**Manager**

Mr I Millard

**Auditors**

RNS Chartered Accountants, 50-54 Oswald Road, Scunthorpe, DN15 7PQ

**Bankers**

HSBC Bank plc, 84 High Street, Scunthorpe, North Lincolnshire, DN15 6HQ

**Solicitors**

The Company has not formally appointed solicitors but uses a number of local firms as the need arises and depending upon the expertise required.

**Executive Council's report for the year ended 31 March 2024 (continued)****Objectives and activities**

Lincolnshire House provides high quality residential accommodation and day care together with respite care for persons with cerebral palsy and associated or similar disabilities. Care services include education, treatments and the promotion of independence together with the necessary advice and support.

The policies adopted in furtherance of these aims are:

- a) We expend Local Authority, Social Security Benefits funding and other sundry income in a prudent manner for the purpose of the day to day running of Lincolnshire House.
- b) We organise fund raising events, which, together with donations and any surplus designated from the general fund to the WISH Appeal, are to be applied to the construction of further residential accommodation either in the local community or on our existing site.
- c) Lincolnshire House continues to improve the facilities provided for the residences, day attendees and those on respite care. By a continuous programme of staff training we aim to improve on our existing high standards of care.
- d) To widen the experiences of our service users we are establishing relationships with other similar organisations in the local area by arranging regular interchange visits. We will expand this activity in the coming year.
- e) To help further improve our service and ensure continuation of our quality level we continue to address concerns and comments arising from our regular quality assurance surveys.

In shaping our objectives for the year and planning our activities, the council have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**STRATEGIC REPORT****Achievements and performance**

The Wish Appeal income has remained similar at £14,617 compared to £13,166 the previous year. £10,871 was raised through fundraising events and £3,746 was donated.

The 200 club has raised £4,370

Fire Walk £2,567

Horse Racing £1,006

Summer Fete £1,640

These were the fundraising events along with support from car boot sales and the Xmas fayre. Thank you to everyone who has supported our fundraising.

Last year we completed the extension to the activities. The new facilities include a new training room, exercise room, toilets, changing room with shower and the hot tub room. This facility is proving to be a great addition to the wonderful facilities that we already have at Lincolnshire House. The Hot Tub is being used by both residents and Day service users. This has proved to be an enjoyable experience and has many therapeutic values. Later in 2024 we hope to install the swim spa, which everyone is excited about.

Like the rest of the care industry, we continue to slowly recover from Covid. Although we are offering respite it remains limited due to issues recruiting staff. Day care has returned to normal and many more activities are being offered to everyone.

There has not been an inspection from CQC as this is monitored with regular assessments, our rating remains good. We have received the annual validation by North Lincolnshire Council, no issues or concerns were raised.

Residential fees have increased on average by 7%. This has resulted in staff receiving a 7% pay increase ensuring the staff are paid above the living wage.

**Executive Council's report for the year ended 31 March 2024 (continued)**

We continue to invest and always look at ways to improve the accommodation. In the past year we have revamped three en-suites, this is a continuous programme. We are now seeing the benefits of investing in solar energy and air source heating; on average we are saving £1,000 per month. We have also installed air conditioning units in several buildings, which will help the residents feel more comfortable in the warmer climate.

In the past year there have been three new residents who have come to live permanently at Lincolnshire House.

**Key performance indicators**

The Executive Council monitors the number of residents and day care attendees being housed and supported by the charity. The average numbers are:

	<b><u>2024</u></b>	<b><u>2023</u></b>
	<u>No</u>	<u>No</u>
Permanent residents	35	34
Regular day care attendees	10	4

**Financial review**

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £14,617. £121,579 was transferred to the Completed Assets fund during phase 10 of the development leaving a balance of £nil in the restricted WISH Appeal fund, after the over-spend of £106,962 was transferred from the WISH Appeal designated fund. This leaves a cumulative designation of £100,474 for the WISH Appeal whenever this is required. The Activities fund is the only restricted fund.

Income for the general running expenses amounted to £2,176,751 of which £1,918,057 was expended. The closing balance of general unrestricted reserves amounted to £2,928,011. The Assets Completed Fund is £2,928,518.

Sponsoring authorities are the main source of income for the charity. Some fundraising is done in the local community and these events are generally run by our employees. We believe we are compliant with GDPR when contacting our supporters and this is done directly by our trained employees to prevent unreasonable intrusion on a person's privacy, unreasonably persistent methods to receive a donation and undue pressure on a person to give a donation. We have received no complaints regarding our fund raising procedures during the year.

Sponsoring authorities remain committed to the residents of Lincolnshire House and the general reserves are maintained in line with the policy objectives.

**Reserves policy**

As of 31 March 2024 Lincolnshire House Association's average monthly expenditure was £159,838, this includes an average monthly salary bill of around £120,510.

Lincolnshire House Association has decided to aim to keep 12-18 months running costs in reserve, a target range of between £1,918,057 and £2,877,086.

Currently, as at 31 March 2024, it has free reserves of £2,857,864 (unrestricted funds £5,957,003 minus tangible assets £2,998,665 minus designated WISH Appeal fund £100,474).

The current level of reserves, therefore, sits in the 'target range' above.

Lincolnshire House Association has decided on a target range of 12-18 months expenditure to allow for challenges still faced with the continuing impact of Covid, plus the challenging increase in inflation and rising energy costs on the charity. This is considered necessary to ensure the critical nature of the services provided could continue with minimum impact on the residents should Lincolnshire House Association have to close.

**Executive Council's report for the year ended 31 March 2024 (continued)**

**Plans for the future**

We will:

- Set future fundraising objectives.
- Install the swim spa.
- Install more solar panels.
- Continue to revamp en-suites and bathrooms.
- Review senior management structure.

**Structure, governance and management**

Lincolnshire House Association is a Charity governed by the Memorandum and Articles of Association and under which the Company is incorporated as a company limited by guarantee.

The Company continues to seek new members for the Executive Council from both public and from the residents of Lincolnshire House. When recruited, new members are given advice and information as to the objectives, policies and procedures of the organisation.

The Manager is responsible to and attends and reports to all meetings of the Executive Council on significant day to day events. All major decisions are discussed at the meetings of the Council and are delegated for implementation either through the Manager or by one or more representatives of the Council and the Manager.

The major risks, to which the Company is exposed, as identified by the Executive Council, have been reviewed and systems have been established to mitigate those risks.

The Executive Council considers that the key risks and uncertainties facing the charity are a mix of issues relating to finance, governance and people.

The financial impact of the cost of living crisis means that budgeting and forecasting accurately are more difficult and ensuring that suppliers deliver value for money to the charity is increasingly important. Funding is always a key concern and the charity continues to keep in close contact with Local Authorities and private funders in order to maintain those income streams.

Through the passage of time, trustees will retire and there is a risk to good governance, if the charity does not maintain suitably experienced trustees. The charity is currently reaching out to the local community to recruit suitable new trustees.

Staffing and recruitment are issues for all businesses in all sectors and there is always the potential risk of being unable to recruit adequately experienced and qualified staff. The charity is well aware of this issue and has active recruitment and staffing policies in place to mitigate this risk.

**Executive Council's report for the year ended 31 March 2024 (continued)****Executive Council's responsibilities**

The Council's members (who are also the directors of Lincolnshire House Association for the purposes of company law) are responsible for preparing a Council's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council's members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the members of the Council are required to:

- a) Select suitable accounting policies and apply them consistently.
- b) Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- c) Make judgements and estimates that are reasonable and prudent.
- d) State whether applicable UK accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council's members are responsible for keeping proper 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Statement as to disclosure to our auditors**

In so far as the Council members are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the council members 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.

In approving the Council's Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Council:

**Principal address and  
Registered office**

Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire  
DN17 1AF

**Ms I V Crowther**  
**Representative of**  
**the Executive Council**

**Date: 12 August 2024**

**Independent Auditor's Report to the Council Members of Lincolnshire House Association****Opinion on financial statements**

We have audited the financial statements of Lincolnshire House Association for the year ended 31 March 2024, which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and republic of Ireland* (United Kingdom Generally Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Executive Council's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

We have nothing to report in this regard.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

**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 Executive Councils' report, incorporating the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Executive Councils' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Executive Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement set out on page 4, the Executive Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Council 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 Executive Council are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intend to liquidate the 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**

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 as 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 is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

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

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the key laws and regulations under which the charity operates and whether management were aware of any instances of non-compliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning any actual and potential litigation and claims;
- performing 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 in revenue recognition, in addition to our testing described above we have performed focussed testing on income arising close to the year-end combined with analytical review procedures to assess accuracy and completeness of revenue recognised;
- in addressing the risk of fraud in the use of purchase ledger and credit card transactions, we have reviewed the controls surrounding the transactions and whether purchases have been appropriately authorised at each relevant stage;
- in addressing the risk of fraud in payroll, we have tested the control procedures surrounding the authorisation of both timesheets and the payroll itself, sought confirmation over the responsibility of staff members involved in the payroll process and confirmed the existence of a sample of employees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to 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/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)**

**Use of our report**

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

**Mr J Heeney BA FCA**  
**Senior Statutory Auditor**

For and on behalf of:

**RNS Chartered Accountants**  
**Statutory Auditors**

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

**Date: 12 August 2024**

**Statement of financial activities (including income and expenditure account)****For the year ended 31 March 2024**

		<u>Restricted</u> <u>funds</u> <u>2024</u> £	<u>Unrestricted</u> <u>funds</u> <u>2024</u> £	<u>Total</u> <u>funds</u> <u>2024</u> £	<u>Total</u> <u>funds</u> <u>2023</u> £
	<b>Notes</b>				
<b>Income from:</b>					
Donations		3,746	-	3,746	3,400
Charitable activities	<b>3</b>	-	2,047,597	2,047,597	1,839,578
Other trading activities – fundraising events		10,871	-	10,871	9,766
Other		203	4,250	4,453	707
Investment income - bank interest		-	124,904	124,904	1,812
<b>Total income</b>		<b>14,820</b>	<b>2,176,751</b>	<b>2,191,571</b>	<b>1,855,263</b>
<b>Expenditure on:</b>					
Charitable activities	<b>4</b>	1,356	1,918,057	1,919,413	1,717,700
<b>Total expenditure</b>		<b>1,356</b>	<b>1,918,057</b>	<b>1,919,413</b>	<b>1,717,700</b>
<b>Net income</b>		13,464	258,694	272,158	137,563
<b>Transfers between funds</b>		(14,617)	14,617	-	-
<b>Net movement in funds for the year</b>		<b>(1,153)</b>	<b>273,311</b>	<b>272,158</b>	<b>137,563</b>
Total funds brought forward		228	5,683,692	5,683,920	5,546,357
<b>Total funds carried forward</b>		<b>(925)</b>	<b>5,957,003</b>	<b>5,956,078</b>	<b>5,683,920</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

**Summary income and expenditure account**

**Year ended 31 March 2024**

	<b><u>2024</u></b> £	<b><u>2023</u></b> £
Income	2,066,667	1,853,451
Investment income	124,904	1,812
	<hr/>	<hr/>
Gross income	2,191,571	1,855,263
Expenditure	1,919,413	1,717,700
	<hr/>	<hr/>
<b>Net income</b>	<b><u><u>272,158</u></u></b>	<b><u><u>137,563</u></u></b>

**Balance sheet as at 31 March 2024****Company number: 2262217**

	<u>Notes</u>	£	<u>2024</u> £	£	<u>2023</u> £
<b>Fixed assets</b>					
Tangible assets	<b>8</b>		2,998,665		2,948,480
<b>Current assets</b>					
Stocks	<b>9</b>	2,200		2,200	
Debtors	<b>10</b>	168,636		91,439	
Cash at bank and in hand		2,948,449		2,814,297	
			<hr/>	<hr/>	
<b>Total current assets</b>		3,119,285		2,907,936	
<b>Liabilities</b>					
Creditors falling due within one year	<b>11</b>	161,872		172,496	
			<hr/>	<hr/>	
<b>Net current assets</b>			2,957,413		2,735,440
			<hr/>	<hr/>	
<b>Net assets</b>			5,956,078		5,683,920
			<hr/> <hr/>	<hr/> <hr/>	
<b>The funds of the charity</b>					
Restricted funds	<b>14</b>		(925)		228
Unrestricted funds	<b>13</b>		5,957,003		5,683,692
			<hr/>	<hr/>	
<b>Total charity funds</b>	<b>17</b>		5,956,078		5,683,920
			<hr/> <hr/>	<hr/> <hr/>	

The financial statements were approved by the Executive Council on **12 August 2024**

**Ms I V Crowther**  
**Representative of the Executive Council**

**Statement of cash flows****Year ended 31 March 2024**

	<u>2024</u> £	<u>2023</u> £
<b>Cash flow from operating activities</b>		
Net income for the year	272,158	137,563
Depreciation	82,758	78,838
Interest receivable	(124,904)	(1,812)
Increase in debtors	(11,501)	(5,000)
(Decrease)/increase in creditors	(10,624)	26,751
Profit on disposal	(827)	-
	<hr/>	<hr/>
	207,060	236,340
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>		
Interest received	59,208	1,812
Payments to acquire tangible fixed assets	(133,116)	(274,873)
Proceeds from sale of tangible fixed assets	1,000	-
	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	(72,908)	(273,061)
	<hr/>	<hr/>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	134,152	(36,721)
<b>Cash and cash equivalents at 1 April 2023</b>	2,814,297	2,851,018
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2024</b>	2,948,449	2,814,297
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	2,948,449	2,814,297
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2024</b>	2,948,449	2,814,297
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements for the year ended 31 March 2024****1 Summary of significant accounting policies****General information and basis of preparation**

Lincolnshire House Association is a private limited company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the executive council's report on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Council in furtherance of the general objectives of the charity where these have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the

**Notes to the financial statements for the year ended 31 March 2024 (continued)****1 Summary of significant accounting policies (continued)**

charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

**Government grants**

Government grants are accounted for under the accruals model. Revenue based grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.

**Expenditure recognition**

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

Expenditure on charitable activities includes the costs of the provision of the residential accommodation and day care facilities and care services including education, treatments, advice and support.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Governance costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold buildings	2%	per annum of cost
Fixtures and fittings	25%	per annum of net book value
Motor vehicles	25%	per annum of net book value

**Stocks**

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

**Debtors**

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

**Notes to the financial statements for the year ended 31 March 2024 (continued)****1 Summary of significant accounting policies (continued)****Cash at bank and in hand**

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

**Creditors**

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.

**Taxation**

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

**Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Going concern**

The financial statements have been prepared on a going concern basis as the Council believe that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2 Legal status**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**Notes to the financial statements for the year ended 31 March 2024 (continued)****3 Income from charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2024</u>	<u>2023</u>
	£	£	Total	Total
			£	£
Social Security Benefits	-	209,921	209,921	205,158
Local Authorities	-	1,540,921	1,540,921	1,348,712
Third parties	-	296,755	296,755	285,708
	-	2,047,597	2,047,597	1,839,578

**4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2024</u>	<u>2023</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,276,629	1,276,629	1,108,846
Food and provisions	-	56,160	56,160	52,272
Repairs and renewals	-	148,545	148,545	156,264
Telephone charges	-	1,294	1,294	1,223
Printing, stationery and advertising	-	18,709	18,709	13,300
Travel and motor expenses	-	6,794	6,794	6,027
Heating and light	-	68,489	68,489	48,879
Insurance	-	32,512	32,512	31,514
Rates	-	20,400	20,400	20,061
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	3,218	3,218	4,137
Cleaning and sundry	-	13,213	13,213	14,591
Activities	1,356	-	1,356	832
Depreciation	-	82,758	81,931	78,838
Profit on disposal of assets	-	(827)	(827)	-
Governance costs (see note 5)	-	184,384	184,384	175,137
	1,356	1,918,057	1,919,413	1,717,700

**5 Analysis of governance costs**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2024</u>	<u>2023</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	2,456	2,456	1,162
Accountancy and audit fees	-	5,919	5,919	5,432
Legal and professional fees	-	6,518	6,518	6,805
Administration salaries	-	163,029	163,029	155,764
Administration staff pensions	-	6,462	6,462	5,974
	-	184,384	184,384	175,137

**Notes to the financial statements for the year ended 31 March 2024 (continued)****6 Net income for the year**

This is stated after charging:

	<u>2024</u>	<u>2023</u>
	£	£
Depreciation and amortisation of owned assets	82,758	78,838
Profit on disposal of tangible assets	(827)	-
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	2,319	1,832
	<u>          </u>	<u>          </u>

**7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

The total staff costs and employees' benefits was as follows:

	<u>2024</u>	<u>2023</u>
	£	£
Wages and salaries	1,326,127	1,165,085
Social security costs	86,891	75,520
Pension costs	33,102	29,979
	<u>          </u>	<u>          </u>
	1,446,120	1,270,584
	<u>          </u>	<u>          </u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	<u>2024</u>	<u>2023</u>
£60,001 - £70,000	1	-
	<u>  1  </u>	<u>  -  </u>

The charity trustees did not receive any remuneration or other benefits from employment with the charity in the year (2023: £nil), neither were they reimbursed expenses during the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Total remuneration of key management personnel in the year was £72,284 (2023: £69,691).

The average monthly head count was 71 staff (2023: 70 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<u>2024</u>	<u>2023</u>
Charitable activities	67	66
Governance	4	4
	<u>  71  </u>	<u>  70  </u>

**Notes to the financial statements for the year ended 31 March 2024 (continued)****8 Tangible fixed assets**

	<u>Leasehold property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b><u>Cost</u></b>				
At 1 April 2023	3,907,748	174,282	104,167	4,186,197
Additions	121,579	11,537	-	133,116
Disposals	-	-	(24,570)	(24,570)
At 31 March 2024	4,029,327	185,819	79,597	4,294,743
<b><u>Depreciation</u></b>				
At 1 April 2023	977,816	168,538	91,363	1,237,717
Provided during the year	78,155	1,436	3,167	82,758
Re disposals during the year	-	-	(24,397)	(24,397)
At 31 March 2024	1,055,971	169,974	70,133	1,296,078
<b><u>Net book value</u></b>				
At 31 March 2024	2,973,356	15,845	9,464	2,998,665
At 31 March 2023	2,929,932	5,744	12,804	2,948,480

**9 Stocks**

	<u>2024</u> £	<u>2023</u> £
Consumables	2,200	2,200

**10 Debtors: All receivable within one year**

	<u>2024</u> £	<u>2023</u> £
Trade debtors	93,106	81,204
Prepayments and accrued income	75,530	10,235
	<u>168,636</u>	<u>91,439</u>

**Notes to the financial statements for the year ended 31 March 2024 (continued)****11 Creditors:** Amounts falling due within one year

	<u>2024</u> £	<u>2023</u> £
Trade creditors	14,276	35,173
Other tax and social security	19,783	17,211
Other creditors	6,737	11,598
Accruals and deferred income	121,076	108,514
	<u>161,872</u>	<u>172,496</u>

**12 Pension costs**

The Association operates a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The cost for the year was £33,102 (2023: £29,979).

**13 Analysis of movement in unrestricted funds**

	<u>Retained</u> <u>Surplus</u> £	<u>Assets</u> <u>Completed</u> £	<u>Designated</u> <u>Fund for</u> <u>WISH</u> <u>Appeal</u> £	<u>Total</u> <u>Unrestricted</u> <u>Funds</u> £
Balance at 1 April 2023	2,592,202	2,884,054	207,436	5,683,692
Incoming resources	2,176,751	-	-	2,176,751
Resources expended	(1,840,942)	(77,115)	-	(1,918,057)
Transfers	-	121,579	(106,962)	14,617
	<u>2,928,011</u>	<u>2,928,518</u>	<u>100,474</u>	<u>5,957,003</u>

The Retained Surplus represents the free funds of the Charity which are not designated for particular purposes.

The Assets Completed Fund has been set up to assist in identifying those funds that are not free funds, and it represents the value of assets now completed less accumulated depreciation which have been funded from the First Brick and WISH Appeal.

The Designated Fund represents funds allocated to the WISH Appeal.

**14 Analysis of movement in restricted funds**

	<u>Activities</u> <u>Fund</u> £	<u>WISH</u> <u>Appeal</u> <u>Fund</u> £	<u>Power</u> <u>Chair</u> <u>Football</u> <u>Fund</u> £	<u>Total</u> <u>Restricted</u> <u>Funds</u> £
Balance at 1 April 2023	228	-	-	228
Incoming resources	203	14,617	-	14,820
Resources expended	(1,356)	-	-	(1,356)
Transfers	-	(14,617)	-	(14,617)
	<u>(925)</u>	<u>-</u>	<u>-</u>	<u>(925)</u>

**Notes to the financial statements for the year ended 31 March 2024 (continued)****15 Control relationships**

The Association was controlled throughout the current and previous period by its Executive Council.

**16 Related party transactions**

There are no related party transactions during the period (2023: £nil).

**17 Analysis of net assets between funds**

Fund balances at 31 March 2024 are represented by:

	<b><u>Restricted</u></b> <b><u>funds</u></b> £	<b><u>Unrestricted</u></b> <b><u>funds</u></b> £	<b><u>Total</u></b> £
Tangible fixed assets	-	2,998,665	2,998,665
Cash at bank and in hand	(925)	2,949,374	2,948,449
Other net current assets/(liabilities)	-	8,964	8,964
Total	(925)	5,957,003	5,956,078

**General account for the year ended 31 March 2024**

	<b><u>2024</u></b> £	<b><u>2023</u></b> £
<b>Income</b>		
Social security benefits and third parties	230,843	227,537
Personal allowances	(20,922)	(22,379)
Local authority and third parties		
- day attenders	113,470	91,530
- funding	1,473,830	1,299,790
- respite care	11,008	14,626
- assessment fees	578	101
- continuing care	230,480	223,826
Sundry receipts	8,310	4,547
Grants received	3,500	-
Rents received	750	570
Bank interest receivable	124,904	1,812
	<hr/>	<hr/>
	2,176,751	1,841,960
	<hr/>	<hr/>
<b>Less: Overheads</b>		
Salaries and employees healthcare	1,446,120	1,270,584
Food and provisions	56,160	52,272
Repairs and renewals	148,545	156,264
Telephone charges	1,294	1,223
Printing, stationery and advertising	18,709	13,300
Travel and motor expenses	6,794	6,027
Heating and lighting	68,489	48,879
Insurances	32,512	31,514
Rates	20,400	20,061
Accountancy charges	5,919	5,432
Bank charges	2,456	1,162
Legal, professional and CRB fees	6,518	6,805
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	3,218	4,137
Cleaning and sundry expenses	13,213	14,591
Depreciation	82,758	78,838
Profit on disposal of tangible assets	(827)	-
	<hr/>	<hr/>
	1,918,057	1,716,868
	<hr/>	<hr/>
<b>Net surplus for the year</b>	<u>258,694</u>	<u>125,092</u>

**Activities income and expenditure account for the year ended 31 March 2024**

	<u>2024</u>		<u>2023</u>
	£		£
Balance brought forward	228		923
<b>Income</b>			
Arts and crafts	138	126	
Health and beauty	45	-	
Baking	20	11	137
	-----	-----	-----
	431		1,060
<b>Expenditure</b>			
Arts and crafts	244	105	
Baking	5	17	
Christmas	-	710	
Health and beauty	28	-	
General	1,079	-	
	-----	-----	
	1,356		832
	-----		-----
Balance carried forward	(925)		228
	=====		=====

**BLF Grant – Power Chair Football account for the year ended 31 March 2024**

	<u>2024</u>		<u>2023</u>
	£		£
Balance brought forward	-		867
Transfer to Wish Appeal	-		(867)
	-----		-----
Balance carried forward	-		-
	=====		=====

**The Wish Appeal Fund for the year ended 31 March 2024**

	<b><u>2024</u></b> £	<b><u>2023</u></b> £
<b>Income</b>		
Donations received	3,746	3,400
<b>Net Income from Fund Raising Efforts</b>		
200 Club	4,370	4,440
Car Boot sales	750	1,225
Christmas Draw	-	1,722
Summer Fete	1,640	959
Lincs Lotto	9	86
Easter Fayre	23	79
Horse Racing	1,006	1,255
Fire Walk	2,567	-
Christmas Fayre	506	-
	<u>10,871</u>	<u>9,766</u>
<b>Total income</b>	14,617	13,166
	<u>14,617</u>	<u>13,166</u>
<b>Surplus for the year</b>	<u>14,617</u>	<u>13,166</u>

**The Wish Appeal Fund for the year ended 31 March 2024**

	<b><u>2024</u></b> £	<b><u>2023</u></b> £
Balance brought forward at 1 April 2023	-	-
Funds raised during the year	14,617	13,166
Capital expenditure transferred to Assets Completed Fund	(121,579)	(274,873)
Transfer from designated fund	106,962	261,707
	<u>-</u>	<u>-</u>
<b>Fund balance at 31 March 2024</b>	<u>-</u>	<u>-</u>
<b>Amount Designated for the fund from the Retained Surplus</b>		
Balance brought forward	207,436	468,276
Transfer to restricted fund	(106,962)	(261,707)
Transfer from Power Chair account	-	867
	<u>100,474</u>	<u>207,436</u>
<b>Balance at 31 March 2024</b>	<u>100,474</u>	<u>207,436</u>
<b>Total Wish Appeal Fund</b>	<u>100,474</u>	<u>207,436</u>

**LINCOLNSHIRE HOUSE ASSOCIATION**

England & Wales - Charity number 700717

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# Accounts

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**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements**

**For the year ended**

**31 March 2023**

**Registered company number: 2262217**

**Registered charity number: 700717**

## **LINCOLNSHIRE HOUSE ASSOCIATION**

### **Financial statements for the year ended 31 March 2023**

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**Executive Council's report for the year ended 31 March 2023**

The council are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ending 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) published in October 2019.

**Reference and administrative information**

Charity name:	Lincolnshire House Association
Charity registration number:	700717
Company registration number:	2262217
Registered office and operational address:	Lincolnshire House Association Brumby Wood Lane Scunthorpe North Lincolnshire, DN17 1AF

The members of the Executive Council at the date of this report and who served during the year were as follows:

Mrs S K Eynott (Secretary)  
Mr M Burnett  
Mr N C Sofroniou  
Mr B G Taylor  
Mr R C Eynott  
Miss G Smith  
Ms I V Crowther  
Mrs W Liles  
Mrs L Haresign  
Mrs J Hodge

**Manager**

Mr I Millard

**Auditors**

RNS Chartered Accountants, 50-54 Oswald Road, Scunthorpe, DN15 7PQ

**Bankers**

HSBC Bank plc, 84 High Street, Scunthorpe, North Lincolnshire, DN15 6HQ

**Solicitors**

The Company has not formally appointed solicitors but uses a number of local firms as the need arises and depending upon the expertise required.

**Executive Council's report for the year ended 31 March 2023 (continued)****Objectives and activities**

Lincolnshire House provides high quality residential accommodation and day care together with respite care for persons with cerebral palsy and associated or similar disabilities. Care services include education, treatments and the promotion of independence together with the necessary advice and support.

The policies adopted in furtherance of these aims are:

- a) We expend Local Authority, Social Security Benefits funding and other sundry income in a prudent manner for the purpose of the day to day running of Lincolnshire House.
- b) We organise fund raising events, which, together with donations and any surplus designated from the general fund to the WISH Appeal, are to be applied to the construction of further residential accommodation either in the local community or on our existing site.
- c) Lincolnshire House continues to improve the facilities provided for the residences, day attendees and those on respite care. By a continuous programme of staff training we aim to improve on our existing high standards of care.
- d) To widen the experiences of our service users we are establishing relationships with other similar organisations in the local area by arranging regular interchange visits. We will expand this activity in the coming year.
- e) To help further improve our service and ensure continuation of our quality level we continue to address concerns and comments arising from our regular quality assurance surveys.

In shaping our objectives for the year and planning our activities, the council have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**STRATEGIC REPORT****Achievements and performance**

The Wish Appeal income has remained similar at £13,166 compared to £13,595 the previous year. £9,766 was raised through fundraising events and £3,400 was donated.

The outcome from Covid continues to provide many challenges to Lincolnshire House and the care sector in general. During and post Covid we have been operating limited services due to staff shortages. Fortunately, towards the end of the year we have seen an increase in staff numbers, this has enabled us to further respond to Day Care users and returning to some normality, offering more placements than the previous year.

We have also looked at our recruitment policy and have awarded several pay increases throughout the year, this has helped to retain our current staff team. Lincolnshire House continues to pay hourly rates above the living wage.

The energy crisis continues to cause concern, the £40,000 grant from the Wolfson foundation has enabled us to install solar panels on several of our buildings. This will provide electricity to 75% of the site, hopefully this will provide savings for Lincolnshire House in the coming years.

The extension to the activities facility is almost complete. Again, we have been conscious of future energy costs with this project. We are proud to be moving towards green energy not only with solar power, but we have installed an air source heat pump to the new extension. This new facility will provide a training room, exercise room, additional toilets, showers and storage. The hot tub room has not been completed, as we have been concerned about future energy costs and the need to appoint further staff.

Now that Covid restrictions have been lifted, residents have been away on holidays and Day outings have started again. This has proved to be very positive in supporting everyone's mental health.

North Lincolnshire Council have completed their validation and there are no recommendations, CQC rating remains good. Several staff have obtained NVQs. The average fee uplift for the year has resulted in an average increase of 10%.

**Executive Council's report for the year ended 31 March 2023 (continued)****Key performance indicators**

The Executive Council monitors the number of residents and day care attendees being housed and supported by the charity. The average numbers are:

	<u>2023</u>	<u>2022</u>
	<u>No</u>	<u>No</u>
Permanent residents	34	35
Regular day care attendees	4	4

**Financial review**

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £13,166. £274,873 was transferred to the Completed Assets fund during phase 10 of the development leaving a balance of £nil in the restricted WISH Appeal fund, after the over-spend of £261,707 was transferred from the WISH Appeal designated fund. The balance of the Power Chair Football fund of £867 was transferred to the WISH Appeal designated fund. This leaves a cumulative designation of £207,436 for the WISH Appeal whenever this is required. The Activities fund of £228 is the only restricted fund.

Income for the general running expenses amounted to £1,841,960 of which £1,716,868 was expended. The closing balance of general unrestricted reserves amounted to £2,592,202. The Assets Completed Fund is £2,884,854.

Sponsoring authorities are the main source of income for the charity. Some fundraising is done in the local community and these events are generally run by our employees. We believe we are compliant with GDPR when contacting our supporters and this is done directly by our trained employees to prevent unreasonable intrusion on a person's privacy, unreasonably persistent methods to receive a donation and undue pressure on a person to give a donation. We have received no complaints regarding our fund raising procedures during the year.

Sponsoring authorities remain committed to the residents of Lincolnshire House and the general reserves are maintained in line with the policy objectives.

**Reserves policy**

As of 31 March 2023 Lincolnshire House Association's average monthly expenditure was £143,072, this includes an average monthly salary bill of around £105,882.

Lincolnshire House Association has decided to aim to keep 12-18 months running costs in reserve, a target range of between £1,716,868 and £2,575,302.

Currently, as at 31 March 2023, it has free reserves of £2,527,776 (unrestricted funds £5,683,692 minus tangible assets £2,948,480 minus designated WISH Appeal fund £207,436).

The current level of reserves, therefore, sits in the 'target range' above.

Lincolnshire House Association has decided on a target range of 12-18 months expenditure to allow for challenges still faced with the continuing impact of Covid, plus the challenging increase in inflation and rising energy costs on the charity. This is considered necessary to ensure the critical nature of the services provided could continue with minimum impact on the residents should Lincolnshire House Association have to close.

**Executive Council's report for the year ended 31 March 2023 (continued)**

**Plans for the future**

We will:

- Continue to appoint additional staff, this will enable us to offer respite and install the hot tub.
- Raise funds to install more solar panels on site.
- Recruit volunteers for the Executive Council.
- Advertise and recruit a new Manager.
- Continue to revamp facilities as identified.
- Train other senior staff, train the trainer in both Medication and Moving and Handling.

**Structure, governance and management**

Lincolnshire House Association is a Charity governed by the Memorandum and Articles of Association and under which the Company is incorporated as a company limited by guarantee.

The Company continues to seek new members for the Executive Council from both public and from the residents of Lincolnshire House. When recruited, new members are given advice and information as to the objectives, policies and procedures of the organisation.

The Manager is responsible to and attends and reports to all meetings of the Executive Council on significant day to day events. All major decisions are discussed at the meetings of the Council and are delegated for implementation either through the Manager or by one or more representatives of the Council and the Manager.

The major risks, to which the Company is exposed, as identified by the Executive Council, have been reviewed and systems have been established to mitigate those risks.

The Executive Council considers that the key risks and uncertainties facing the charity are a mix of issues relating to finance, governance and people.

The financial impact of the cost of living crisis means that budgeting and forecasting accurately are more difficult and ensuring that suppliers deliver value for money to the charity is increasingly important. Funding is always a key concern and the charity continues to keep in close contact with Local Authorities and private funders in order to maintain those income streams.

Through the passage of time, trustees will retire and there is a risk to good governance, if the charity does not maintain suitably experienced trustees. The charity is currently reaching out to the local community to recruit suitable new trustees.

Staffing and recruitment are issues for all businesses in all sectors and there is always the potential risk of being unable to recruit adequately experienced and qualified staff. The charity is well aware of this issue and has active recruitment and staffing policies in place to mitigate this risk.

**Executive Council's report for the year ended 31 March 2023 (continued)****Executive Council's responsibilities**

The Council's members (who are also the directors of Lincolnshire House Association for the purposes of company law) are responsible for preparing a Council's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council's members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the members of the Council are required to:

- a) Select suitable accounting policies and apply them consistently.
- b) Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- c) Make judgements and estimates that are reasonable and prudent.
- d) State whether applicable UK accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council's members are responsible for keeping proper 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Statement as to disclosure to our auditors**

In so far as the Council members are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the council members 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.

In approving the Council's Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Council:

**Principal address and  
Registered office**

Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire  
DN17 1AF

**Ms I V Crowther**  
**Representative of**  
**the Executive Council**

**Date: 1 August 2023**

**Independent Auditor's Report to the Council Members of Lincolnshire House Association****Opinion on financial statements**

We have audited the financial statements of Lincolnshire House Association for the year ended 31 March 2023, which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and republic of Ireland* (United Kingdom Generally Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Executive Council's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

We have nothing to report in this regard.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

**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 Executive Councils' report, incorporating the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Executive Councils' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Executive Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement set out on page 4, the Executive Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Council 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 Executive Council are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intend to liquidate the 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**

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 as 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 is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

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

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the key laws and regulations under which the charity operates and whether management were aware of any instances of non-compliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning any actual and potential litigation and claims;
- performing 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 in revenue recognition, in addition to our testing described above we have performed focussed testing on income arising close to the year-end combined with analytical review procedures to assess accuracy and completeness of revenue recognised;
- in addressing the risk of fraud in the use of purchase ledger and credit card transactions, we have reviewed the controls surrounding the transactions and whether purchases have been appropriately authorised at each relevant stage;
- in addressing the risk of fraud in payroll, we have tested the control procedures surrounding the authorisation of both timesheets and the payroll itself, sought confirmation over the responsibility of staff members involved in the payroll process and confirmed the existence of a sample of employees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to 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/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)**

**Use of our report**

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

**Mr J Heeney BA FCA**  
**Senior Statutory Auditor**

For and on behalf of:

**RNS Chartered Accountants**  
**Statutory Auditors**

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

**Date: 1 August 2023**

**Statement of financial activities (including income and expenditure account)****For the year ended 31 March 2023**

		<u>Restricted</u> <u>funds</u> <u>2023</u> £	<u>Unrestricted</u> <u>funds</u> <u>2023</u> £	<u>Total</u> <u>funds</u> <u>2023</u> £	<u>Total</u> <u>funds</u> <u>2022</u> £
	<b>Notes</b>				
<b>Income from:</b>					
Donations		3,400	-	3,400	3,476
Charitable activities	<b>3</b>	-	1,839,578	1,839,578	1,784,758
Other trading activities – fundraising events		9,766	-	9,766	10,119
Other		137	570	707	56,618
Investment income - bank interest		-	1,812	1,812	239
<b>Total income</b>		<b>13,303</b>	<b>1,841,960</b>	<b>1,855,263</b>	<b>1,855,210</b>
<b>Expenditure on:</b>					
Charitable activities	<b>4</b>	832	1,716,868	1,717,700	1,635,642
<b>Total expenditure</b>		<b>832</b>	<b>1,716,868</b>	<b>1,717,700</b>	<b>1,635,642</b>
<b>Net income</b>		12,471	125,092	137,563	219,568
<b>Transfers between funds</b>		(14,033)	14,033	-	-
<b>Net movement in funds for the year</b>		<b>(1,562)</b>	<b>139,125</b>	<b>137,563</b>	<b>219,568</b>
Total funds brought forward		1,790	5,544,567	5,546,357	5,326,789
<b>Total funds carried forward</b>		<b>228</b>	<b>5,683,692</b>	<b>5,683,920</b>	<b>5,546,357</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

**Summary income and expenditure account**

**Year ended 31 March 2023**

	<b><u>2023</u></b> £	<b><u>2022</u></b> £
Income	1,853,451	1,854,971
Investment income	1,812	239
	<hr/>	<hr/>
Gross income	1,855,263	1,855,210
Expenditure	1,717,700	1,635,642
	<hr/>	<hr/>
<b>Net income</b>	<b><u><u>137,563</u></u></b>	<b><u><u>219,568</u></u></b>

**Balance sheet as at 31 March 2023****Company number: 2262217**

	<u>Notes</u>	£	<u>2023</u> £	£	<u>2022</u> £
<b>Fixed assets</b>					
Tangible assets	9		2,948,480		2,752,445
<b>Current assets</b>					
Stocks	10	2,200		2,200	
Debtors	11	91,439		86,439	
Cash at bank and in hand		2,814,297		2,851,018	
<b>Total current assets</b>		2,907,936		2,939,657	
<b>Liabilities</b>					
Creditors falling due within one year	12	172,496		145,745	
<b>Net current assets</b>			2,735,440		2,793,912
<b>Net assets</b>			5,683,920		5,546,357
<b>The funds of the charity</b>					
Restricted funds	15		228		1,790
Unrestricted funds	14		5,683,692		5,544,567
<b>Total charity funds</b>	18		5,683,920		5,546,357

The financial statements were approved by the Executive Council on **1 August 2023**

**Ms I V Crowther**  
**Representative of the Executive Council**

**Statement of cash flows****Year ended 31 March 2023**

	<b><u>2023</u></b> £	<b><u>2022</u></b> £
<b>Cash flow from operating activities</b>		
Net income for the year	137,563	219,568
Depreciation	78,838	80,890
Interest received	(1,812)	(239)
Increase in debtors	(5,000)	(9,476)
Increase/(decrease) in creditors	26,751	(20,605)
	<hr/>	<hr/>
	236,340	270,138
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>		
Interest received	1,812	239
Payments to acquire tangible fixed assets	(274,873)	(641)
	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	(273,061)	(402)
	<hr/>	<hr/>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>	(36,721)	269,736
<b>Cash and cash equivalents at 1 April 2022</b>	2,851,018	2,581,282
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2023</b>	2,814,297	2,851,018
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	2,814,297	2,851,018
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2023</b>	2,814,297	2,851,018
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements for the year ended 31 March 2023****1 Summary of significant accounting policies****General information and basis of preparation**

Lincolnshire House Association is a private limited company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the executive council's report on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Council in furtherance of the general objectives of the charity where these have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the

**Notes to the financial statements for the year ended 31 March 2023 (continued)****1 Summary of significant accounting policies (continued)**

charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

**Government grants**

Government grants are accounted for under the accruals model. Revenue based grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.

**Expenditure recognition**

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

Expenditure on charitable activities includes the costs of the provision of the residential accommodation and day care facilities and care services including education, treatments, advice and support.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Governance costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold buildings	2%	per annum of cost
Fixtures and fittings	25%	per annum of net book value
Motor vehicles	25%	per annum of net book value

**Stocks**

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

**Debtors**

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

**Notes to the financial statements for the year ended 31 March 2023 (continued)****1 Summary of significant accounting policies (continued)****Cash at bank and in hand**

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

**Creditors**

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.

**Taxation**

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

**Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Going concern**

The financial statements have been prepared on a going concern basis as the Council believe that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2 Legal status**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**3 Income from charitable activities**

	<b><u>Restricted</u></b>	<b><u>Unrestricted</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
	£	£	£	£
Social Security Benefits	-	205,158	205,158	192,562
Local Authorities	-	1,348,712	1,348,712	1,249,025
Third parties	-	285,708	285,708	343,171
	-	1,839,578	1,839,578	1,784,758

**Notes to the financial statements for the year ended 31 March 2023 (continued)****4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,108,846	1,108,846	1,074,506
Food and provisions	-	52,272	52,272	42,616
Repairs and renewals	-	156,264	156,264	151,805
Telephone charges	-	1,223	1,223	1,356
Printing, stationery and advertising	-	13,300	13,300	16,915
Travel and motor expenses	-	6,027	6,027	5,013
Heating and light	-	48,879	48,879	22,599
Insurance	-	31,514	31,514	28,957
Rates	-	20,061	20,061	19,519
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	4,137	4,137	1,835
Cleaning and sundry	-	14,591	14,591	15,841
Activities	832	-	832	596
Depreciation	-	78,838	78,838	80,890
Governance costs (see note 5)	-	175,137	175,137	167,415
	832	1,716,868	1,717,700	1,635,642

**5 Analysis of governance costs**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	1,162	1,162	670
Accountancy and audit fees	-	5,432	5,432	5,441
Legal and professional fees	-	6,805	6,805	1,475
Administration salaries	-	155,764	155,764	154,076
Administration staff pensions	-	5,974	5,974	5,753
	-	175,137	175,137	167,415

**6 Government Grants**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2023</u>	<u>2022</u>
	£	£	Total	Total
			£	£
Coronavirus assistance measures	-	-	-	56,234

**Notes to the financial statements for the year ended 31 March 2023 (continued)****7 Net income for the year**

This is stated after charging:

	<u>2023</u>	<u>2022</u>
	£	£
Depreciation and amortisation of owned assets	78,838	80,890
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	1,832	1,841
	<u>          </u>	<u>          </u>

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

The total staff costs and employees' benefits was as follows:

	<u>2023</u>	<u>2022</u>
	£	£
Wages and salaries	1,165,085	1,138,090
Social security costs	75,520	67,436
Pension costs	29,979	28,809
	<u>          </u>	<u>          </u>
	1,270,584	1,234,335
	<u>          </u>	<u>          </u>

No employees had employee benefits in excess of £60,000.

The charity trustees did not receive any remuneration or other benefits from employment with the charity in the year (2022: £nil), neither were they reimbursed expenses during the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Total remuneration of key management personnel in the year was £69,691 (2022: £68,505).

The average monthly head count was 70 staff (2022: 71 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<u>2023</u>	<u>2022</u>
Charitable activities	66	67
Governance	4	4
	<u>    </u>	<u>    </u>
	70	71
	<u>    </u>	<u>    </u>

**Notes to the financial statements for the year ended 31 March 2023 (continued)****9 Tangible fixed assets**

	<u>Leasehold property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b><u>Cost</u></b>				
At 1 April 2022	3,632,875	174,282	104,167	3,911,324
Additions	274,873	-	-	274,873
At 31 March 2023	3,907,748	174,282	104,167	4,186,197
<b><u>Depreciation</u></b>				
At 1 April 2022	905,160	166,625	87,094	1,158,879
Provided during the year	72,656	1,913	4,269	78,838
At 31 March 2023	977,816	168,538	91,363	1,237,717
<b><u>Net book value</u></b>				
At 31 March 2023	2,929,932	5,744	12,804	2,948,480
At 31 March 2022	2,727,715	7,657	17,073	2,752,445

**10 Stocks**

	<u>2023</u> £	<u>2022</u> £
Consumables	2,200	2,200

**11 Debtors:** All receivable within one year

	<u>2023</u> £	<u>2022</u> £
Trade debtors	81,204	74,584
Prepayments and accrued income	10,235	11,855
	<u>91,439</u>	<u>86,439</u>

**Notes to the financial statements for the year ended 31 March 2023 (continued)****12 Creditors:** Amounts falling due within one year

	<u>2023</u> £	<u>2022</u> £
Trade creditors	35,173	23,870
Other tax and social security	17,211	14,098
Other creditors	11,598	7,916
Accruals and deferred income	108,514	99,861
	<u>172,496</u>	<u>145,745</u>

**13 Pension costs**

The Association operates a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The cost for the year was £29,979 (2022: £28,809).

**14 Analysis of movement in unrestricted funds**

	<u>Retained</u> <u>Surplus</u> £	<u>Assets</u> <u>Completed</u> £	<u>Designated</u> <u>Fund for</u> <u>WISH</u> <u>Appeal</u> £	<u>Total</u> <u>Unrestricted</u> <u>Funds</u> £
Balance at 1 April 2022	2,395,494	2,680,797	468,276	5,544,567
Incoming resources	1,841,960	-	-	1,841,960
Resources expended	(1,645,252)	(71,616)	-	(1,716,868)
Transfers	-	274,873	(260,840)	14,033
	<u>2,592,202</u>	<u>2,884,054</u>	<u>207,436</u>	<u>5,683,692</u>

The Retained Surplus represents the free funds of the Charity which are not designated for particular purposes.

The Assets Completed Fund has been set up to assist in identifying those funds that are not free funds, and it represents the value of assets now completed less accumulated depreciation which have been funded from the First Brick and WISH Appeal.

The Designated Fund represents funds allocated to the WISH Appeal.

**15 Analysis of movement in restricted funds**

	<u>Activities</u> <u>Fund</u> £	<u>WISH</u> <u>Appeal</u> <u>Fund</u> £	<u>Power</u> <u>Chair</u> <u>Football</u> <u>Fund</u> £	<u>Total</u> <u>Restricted</u> <u>Funds</u> £
Balance at 1 April 2022	923	-	867	1,790
Incoming resources	137	13,166	-	13,303
Resources expended	(832)	-	-	(832)
Transfers	-	(13,166)	(867)	(14,033)
	<u>228</u>	<u>-</u>	<u>-</u>	<u>228</u>

**Notes to the financial statements for the year ended 31 March 2023 (continued)****16 Control relationships**

The Association was controlled throughout the current and previous period by its Executive Council.

**17 Related party transactions**

There are no related party transactions during the period (2022: £nil).

**18 Analysis of net assets between funds**

Fund balances at 31 March 2023 are represented by:

	<b><u>Restricted</u></b> <b><u>funds</u></b> £	<b><u>Unrestricted</u></b> <b><u>funds</u></b> £	<b><u>Total</u></b> £
Tangible fixed assets	-	2,948,480	2,948,480
Cash at bank and in hand	228	2,814,069	2,814,297
Other net current assets/(liabilities)	-	(78,857)	(78,857)
Total	228	5,683,692	5,683,920

**General account for the year ended 31 March 2023**

	<u>2023</u> £	<u>2022</u> £
<b>Income</b>		
Social security benefits and third parties	227,537	216,095
Personal allowances	(22,379)	(23,533)
Local authority and third parties		
- day attenders	91,530	101,860
- funding	1,299,790	1,174,441
- respite care	14,626	75,199
- assessment fees	101	680
- continuing care	223,826	235,233
Sundry receipts	4,547	4,783
Grants received	-	56,234
Rents received	570	210
Bank interest received	1,812	239
	<hr/>	<hr/>
	1,841,960	1,841,441
	<hr/>	<hr/>
<b>Less: Overheads</b>		
Salaries and employees healthcare	1,270,584	1,234,335
Food and provisions	52,272	42,616
Repairs and renewals	156,264	151,805
Telephone charges	1,223	1,356
Printing, stationery and advertising	13,300	16,915
Travel and motor expenses	6,027	5,013
Heating and lighting	48,879	22,599
Insurances	31,514	28,957
Rates	20,061	19,519
Accountancy charges	5,432	5,441
Bank charges	1,162	670
Legal, professional and CRB fees	6,805	1,475
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	4,137	1,835
Cleaning and sundry expenses	14,591	15,841
Depreciation	78,838	80,890
	<hr/>	<hr/>
	1,716,868	1,635,046
	<hr/>	<hr/>
<b>Net surplus for the year</b>	<u>125,092</u>	<u>206,395</u>

**Activities income and expenditure account for the year ended 31 March 2023**

	<u>2023</u>		<u>2022</u>
	£		£
Balance brought forward	923		1,345
<b>Income</b>			
Arts and crafts	126	167	
Baking	11	7	174
	-----	-----	-----
	1,060		1,519
<b>Expenditure</b>			
Arts and crafts	105	596	
Baking	17	-	
Christmas	710	-	
	-----	-----	
	832		596
Balance carried forward	----- 228		----- 923

**BLF Grant – Power Chair Football account for the year ended 31 March 2023**

	<u>2023</u>		<u>2022</u>
	£		£
Balance brought forward	867		867
Transfer to Wish Appeal	(867)		-
	-----		-----
Balance carried forward	----- -		----- 867

**The Wish Appeal Fund for the year ended 31 March 2023**

	<b><u>2023</u></b> £	<b><u>2022</u></b> £
<b>Income</b>		
Donations received	3,400	3,476
<b>Net Income from Fund Raising Efforts</b>		
200 Club	4,440	4,595
Car Boot sales	1,225	1,702
Christmas Draw	1,722	1,817
Summer Fete	959	1,810
Collection boxes	-	6
Lincs Lotto	86	189
Easter Fayre	79	-
Horse Racing	1,255	-
	<u>9,766</u>	<u>10,119</u>
<b>Total income</b>	13,166	13,595
<b>Surplus for the year</b>	<u>13,166</u>	<u>13,595</u>

**The Wish Appeal Fund for the year ended 31 March 2023**

	<b><u>2023</u></b> £	<b><u>2022</u></b> £
Balance brought forward at 1 April 2022	-	-
Funds raised during the year	13,166	13,595
Phase 10 expenses transferred to Assets Completed Fund	(274,873)	(641)
Transfer from/(to) designated fund	261,707	(12,954)
<b>Fund balance at 31 March 2023</b>	<u>-</u>	<u>-</u>
<b>Amount Designated for the fund from the Retained Surplus</b>		
Balance brought forward	468,276	355,322
Transfer (to)/from restricted fund	(261,707)	12,954
Transfer from unrestricted surplus	-	100,000
Transfer from Power Chair account	867	-
<b>Balance at 31 March 2023</b>	<u>207,436</u>	<u>468,276</u>
<b>Total Wish Appeal Fund</b>	<u>207,436</u>	<u>468,276</u>

**LINCOLNSHIRE HOUSE ASSOCIATION**

England & Wales - Charity number 700717

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# Accounts

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**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements**

**For the year ended**

**31 March 2022**

**Registered company number: 2262217**

**Registered charity number: 700717**

**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements for the year ended 31 March 2022**

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**Executive Council's report for the year ended 31 March 2022**

The council are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) published in October 2019.

**Reference and administrative information**

Charity name:	Lincolnshire House Association
Charity registration number:	700717
Company registration number:	2262217
Registered office and operational address:	Lincolnshire House Association Brumby Wood Lane Scunthorpe North Lincolnshire, DN17 1AF

The members of the Executive Council at the date of this report and who served during the year were as follows:

Mrs S K Eynott (Secretary)  
Mr M Burnett  
Mr N C Sofroniou  
Mr B G Taylor  
Mr R C Eynott  
Miss G Smith  
Ms I V Crowther  
Mrs W Liles  
Mrs L Haresign  
Mrs J Hodge (appointed 1 September 2021)  
Mrs P M Fiddler (resigned 17 August 2021)

**Manager**

Mr I Millard

**Auditors**

RNS Chartered Accountants, 50-54 Oswald Road, Scunthorpe, DN15 7PQ

**Bankers**

HSBC Bank plc, 84 High Street, Scunthorpe, North Lincolnshire, DN15 6HQ

**Solicitors**

The Company has not formally appointed solicitors but uses a number of local firms as the need arises and depending upon the expertise required.

**Executive Council's report for the year ended 31 March 2022 (continued)****Objectives and activities**

Lincolnshire House provides high quality residential accommodation and day care together with respite care for persons with cerebral palsy and associated or similar disabilities. Care services include education, treatments and the promotion of independence together with the necessary advice and support.

The policies adopted in furtherance of these aims are:

- a) We expend Local Authority, Social Security Benefits funding and other sundry income in a prudent manner for the purpose of the day to day running of Lincolnshire House.
- b) We organise fund raising events, which, together with donations and any surplus designated from the general fund to the WISH Appeal, are to be applied to the construction of further residential accommodation either in the local community or on our existing site.
- c) Lincolnshire House continues to improve the facilities provided for the residences, day attendees and those on respite care. By a continuous programme of staff training we aim to improve on our existing high standards of care.
- d) To widen the experiences of our service users we are establishing relationships with other similar organisations in the local area by arranging regular interchange visits. We will expand this activity in the coming year.
- e) To help further improve our service and ensure continuation of our quality level we continue to address concerns and comments arising from our regular quality assurance surveys.

In shaping our objectives for the year and planning our activities, the council have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**STRATEGIC REPORT****Achievements and performance**

The Wish Appeal income has fallen to £13,595 compared to £93,295 the previous year. This was largely due to a legacy of £72,480 being received last year. £10,119 was raised through fundraising events and £3,476 was donated.

Our main challenge throughout the year has been addressing all of the issues related to COVID. This has put immense pressure on our services, with 50% of our staff off with COVID over a six week period. Unfortunately we had little option but to close Respite and Day Care services as the residents' welfare became our priority. The residents and staff have been brilliant throughout the pandemic, with great teamwork, support and everyone pulling together and with a positive attitude.

Since the early days of COVID it has proved very difficult to attract staff to the care industry; this continues to be the case. Due to staff recruitment issues we continue to provide a limited Respite and Day Care service. We are conscious of staff welfare and will only be able to provide a full service when sufficient staff have been appointed. Everyone has access to both COVID and flu vaccines. We have also been proactive in responding to staff earnings and have awarded three pay increase in a twelve-month period, this has resulted in a 12% pay increase for many staff.

The registered Manager completed the provider information return for CQC; the outcome remains good. North Lincolnshire Council completed the validation, with all outcomes achieved. The CCG also completed an infection control audit, and found Lincolnshire House Association is fully compliant.

Four more staff have achieved NVQ levels 2 and 3, the registered Manager has updated train the trainer for medication and the Assistant Manager has obtained train the trainer for moving and handling.

At the end of March work started on the latest phase of our redevelopment. This project will provide a Hot tub, Swim spa, toilets, showers, additional storage, training room, and an exercise room. This new facility should be ready for use by January 2023. We have continued to invest in upgrading bathrooms, kitchens and en-suites in some of the bungalows.

Fee uplifts have been agreed with several Local Authorities and have resulted in an average increase of 5%.

**Executive Council's report for the year ended 31 March 2022 (continued)**

Due to concerns over current and future energy costs we have decided to look at future energy resources. The Wolfson Foundation have kindly agreed to provide a grant of £40,000 to provide solar panels, this will produce sufficient energy for 75% of the site.

**Financial review**

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £13,595. £641 was transferred to the Completed Assets fund during phase 10 of the development leaving a balance of £nil in the restricted WISH Appeal fund, after the under-spend of £12,954 was transferred to the WISH Appeal designated fund. This leaves a cumulative designation of £468,276 for the WISH Appeal whenever this is required. The balance of the Power Chair Football fund of £867 and the Activities fund of £923 made up total restricted funds of £1,790.

Income for the general running expenses amounted to £1,841,441 of which £1,635,046 was expended. The closing balance of general unrestricted reserves amounted to £2,395,494, after £100,000 was transferred to the WISH Appeal. The Assets Completed Fund is £2,680,797.

Sponsoring authorities remain committed to the residents of Lincolnshire House and the general reserves are maintained in line with the policy objectives. The reserve policy for general reserves is to maintain at least 12 months running costs.

Sponsoring authorities are the main source of income for the charity. Some fundraising is done in the local community and these events are generally run by our own employees. We believe we are compliant with GDPR when contacting our supporters and this is done directly by our trained employees to prevent unreasonable intrusion on a person's privacy, unreasonably persistent methods to receive a donation and undue pressure on a person to give a donation. We have received no complaints regarding our fund raising procedures during the year.

**Plans for the future**

Our main objective for the coming year is to recruit additional staff. This will enable us to offer a comprehensive Respite and Day Care service and recover from the disruption of COVID.

We will:

- Continue to promote in-house training and get the maximum number of staff through their NVQ.
- Complete the Hot tub project and ready for use by January 2023.
- Ensure the quality of service is maintained and all awards are assessed at the same outcomes.
- Install the solar panels and look at funding for other green projects.
- Continue to invest in maintenance and revamp facilities where the need is identified.

**Structure, governance and management**

Lincolnshire House Association is a Charity governed by the Memorandum and Articles of Association and under which the Company is incorporated as a company limited by guarantee.

The Company continues to seek new members for the Executive Council from both public and from the residents of Lincolnshire House. When recruited, new members are given advice and information as to the objectives, policies and procedures of the organisation.

The Manager is responsible to and attends and reports to all meetings of the Executive Council on significant day to day events. All major decisions are discussed at the meetings of the Council and are delegated for implementation either through the Manager or by one or more representatives of the Council and the Manager.

The major risks, to which the Company is exposed, as identified by the Executive Council, have been reviewed and systems have been established to mitigate those risks.

**Executive Council's report for the year ended 31 March 2022 (continued)****Executive Council's responsibilities**

The Council's members (who are also the directors of Lincolnshire House Association for the purposes of company law) are responsible for preparing a Council's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council's members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the members of the Council are required to:

- a) Select suitable accounting policies and apply them consistently.
- b) Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- c) Make judgements and estimates that are reasonable and prudent.
- d) State whether applicable UK accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council's members are responsible for keeping proper 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Statement as to disclosure to our auditors**

In so far as the Council members are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the council members 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.

In approving the Council's Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Council:

**Principal address and  
Registered office**

Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire  
DN17 1AF

**Ms I V Crowther**  
**Representative of**  
**the Executive Council**

**Date:** 15 August 2022

**Independent Auditor's Report to the Council Members of Lincolnshire House Association****Opinion on financial statements**

We have audited the financial statements of Lincolnshire House Association for the year ended 31 March 2022, which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and republic of Ireland* (United Kingdom Generally Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Executive Council's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

We have nothing to report in this regard.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

**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 Executive Councils' report, incorporating the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Executive Councils' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Executive Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement set out on page 4, the Executive Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Council 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 Executive Council are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intend to liquidate the 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**

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 as 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 is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)**

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

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the key laws and regulations under which the charity operates and whether management were aware of any instances of non-compliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning any actual and potential litigation and claims;
- performing 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 in revenue recognition, in addition to our testing described above we have performed focussed testing on income arising close to the year-end combined with analytical review procedures to assess accuracy and completeness of revenue recognised;
- in addressing the risk of fraud in the use of purchase ledger and credit card transactions, we have reviewed the controls surrounding the transactions and whether purchases have been appropriately authorised at each relevant stage;
- in addressing the risk of fraud in payroll, we have tested the control procedures surrounding the authorisation of both timesheets and the payroll itself, sought confirmation over the responsibility of staff members involved in the payroll process and confirmed the existence of a sample of employees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to 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/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)**

**Use of our report**

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

**Mr J Heeney BA FCA**  
**Senior Statutory Auditor**

For and on behalf of:

**RNS Chartered Accountants**  
**Statutory Auditors**

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

**Date:** 15 August 2022

**Statement of financial activities (including income and expenditure account)****For the year ended 31 March 2022**

		<u>Restricted</u> <u>funds</u> <u>2022</u> £	<u>Unrestricted</u> <u>funds</u> <u>2022</u> £	<u>Total</u> <u>funds</u> <u>2022</u> £	<u>Total</u> <u>funds</u> <u>2021</u> £
	<b>Notes</b>				
<b>Income from:</b>					
Donations		3,476	-	3,476	86,994
Charitable activities	<b>3</b>	-	1,784,758	1,784,758	1,681,655
Other trading activities – fundraising events		10,119	-	10,119	6,301
Other		174	56,444	56,618	82,426
Investment income - bank interest		-	239	239	2,182
<b>Total income</b>		<b>13,769</b>	<b>1,841,441</b>	<b>1,855,210</b>	<b>1,859,558</b>
<b>Expenditure on:</b>					
Charitable activities	<b>4</b>	596	1,635,046	1,635,642	1,672,822
<b>Total expenditure</b>		<b>596</b>	<b>1,635,046</b>	<b>1,635,642</b>	<b>1,672,822</b>
<b>Net income</b>		13,173	206,395	219,568	186,736
<b>Transfers between funds</b>		(13,595)	13,595	-	-
<b>Net movement in funds for the year</b>		<b>(422)</b>	<b>219,990</b>	<b>219,568</b>	<b>186,736</b>
Total funds brought forward		2,212	5,324,577	5,326,789	5,140,053
<b>Total funds carried forward</b>		<b>1,790</b>	<b>5,544,567</b>	<b>5,546,357</b>	<b>5,326,789</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

**Summary income and expenditure account**

**Year ended 31 March 2022**

	<b><u>2022</u></b> £	<b><u>2021</u></b> £
Income	1,854,971	1,857,376
Investment income	239	2,182
	<hr/>	<hr/>
Gross income	1,855,210	1,859,558
Expenditure	1,635,642	1,672,822
	<hr/>	<hr/>
<b>Net income</b>	<b><u>219,568</u></b>	<b><u>186,736</u></b>

**Balance sheet as at 31 March 2022****Company number: 2262217**

	<u>Notes</u>	£	<u>2022</u> £	£	<u>2021</u> £
<b>Fixed assets</b>					
Tangible assets	9		2,752,445		2,832,694
<b>Current assets</b>					
Stocks	10	2,200		2,200	
Debtors	11	86,439		76,963	
Cash at bank and in hand		2,851,018		2,581,282	
			<hr/>	<hr/>	
<b>Total current assets</b>		2,939,657		2,660,445	
<b>Liabilities</b>					
Creditors falling due within one year	12	145,745		166,350	
			<hr/>	<hr/>	
<b>Net current assets</b>			2,793,912		2,494,095
			<hr/>	<hr/>	
<b>Net assets</b>			5,546,357		5,326,789
			<hr/> <hr/>	<hr/> <hr/>	
<b>The funds of the charity</b>					
Restricted funds	15		1,790		2,212
Unrestricted funds	14		5,544,567		5,324,577
			<hr/>	<hr/>	
<b>Total charity funds</b>	18		5,546,357		5,326,789
			<hr/> <hr/>	<hr/> <hr/>	

The financial statements were approved by the Executive Council on 15 August 2022

**Ms I V Crowther**  
**Representative of the Executive Council**

**Statement of cash flows****Year ended 31 March 2022**

	<b><u>2022</u></b> £	<b><u>2021</u></b> £
<b>Cash flow from operating activities</b>		
Net income for the year	219,568	186,736
Depreciation	80,890	74,594
Interest received	(239)	(2,182)
(Increase)/decrease in debtors	(9,476)	21,583
(Decrease)/increase in creditors	(20,605)	110,996
	<hr/>	<hr/>
	270,138	391,727
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>		
Interest received	239	2,182
Payments to acquire tangible fixed assets	(641)	(93,913)
	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	(402)	(91,731)
	<hr/>	<hr/>
<b>Increase in cash and cash equivalents in the year</b>	269,736	299,996
<b>Cash and cash equivalents at 1 April 2021</b>	2,581,282	2,281,286
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2022</b>	2,851,018	2,581,282
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	2,851,018	2,581,282
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2022</b>	2,851,018	2,581,282
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements for the year ended 31 March 2022****1 Summary of significant accounting policies****General information and basis of preparation**

Lincolnshire House Association is a private limited company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the executive council's report on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Council in furtherance of the general objectives of the charity where these have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the

**Notes to the financial statements for the year ended 31 March 2022 (continued)****1 Summary of significant accounting policies (continued)**

charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

**Government grants**

Government grants are accounted for under the accruals model. Revenue based grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.

**Expenditure recognition**

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

Expenditure on charitable activities includes the costs of the provision of the residential accommodation and day care facilities and care services including education, treatments, advice and support.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Governance costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold buildings	2%	per annum of cost
Fixtures and fittings	25%	per annum of net book value
Motor vehicles	25%	per annum of net book value

**Stocks**

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

**Debtors**

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

**Notes to the financial statements for the year ended 31 March 2022 (continued)****1 Summary of significant accounting policies (continued)****Cash at bank and in hand**

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

**Creditors**

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.

**Taxation**

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

**Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Going concern**

The financial statements have been prepared on a going concern basis as the Council believe that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2 Legal status**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**3 Income from charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Social Security Benefits	-	192,562	192,562	195,587
Local Authorities	-	1,249,025	1,249,025	1,254,217
Third parties	-	343,171	343,171	231,851
	-	1,784,758	1,784,758	1,681,655

**Notes to the financial statements for the year ended 31 March 2022 (continued)****4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,074,506	1,074,506	1,093,988
Food and provisions	-	42,616	42,616	38,323
Repairs and renewals	-	151,805	151,805	127,053
Telephone charges	-	1,356	1,356	1,305
Printing, stationery and advertising	-	16,915	16,915	14,059
Travel and motor expenses	-	5,013	5,013	4,885
Heating and light	-	22,599	22,599	47,854
Insurance	-	28,957	28,957	29,999
Rates	-	19,519	19,519	17,056
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	1,835	1,835	3,400
Cleaning and sundry	-	15,841	15,841	22,838
Activities	596	-	596	1,028
Depreciation	-	80,890	80,890	74,594
Governance costs (see note 5)	-	167,415	167,415	190,661
	596	1,635,046	1,635,642	1,672,822

**5 Analysis of governance costs**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	670	670	1,190
Accountancy and audit fees	-	5,441	5,441	5,782
Legal and professional fees	-	1,475	1,475	15,029
Administration salaries	-	154,076	154,076	162,631
Administration staff pensions	-	5,753	5,753	6,029
	-	167,415	167,415	190,661

**6 Government Grants**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2022</u>	<u>2021</u>
	£	£	Total	Total
			£	£
Coronavirus assistance measures	-	56,234	56,234	82,362

**Notes to the financial statements for the year ended 31 March 2022 (continued)****7 Net income for the year**

This is stated after charging:

	<u>2022</u>	<u>2021</u>
	£	£
Depreciation and amortisation of owned assets	80,890	74,594
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	1,841	2,182
	<u>          </u>	<u>          </u>

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

The total staff costs and employees' benefits was as follows:

	<u>2022</u>	<u>2021</u>
	£	£
Wages and salaries	1,138,090	1,152,054
Social security costs	67,436	76,493
Pension costs	28,809	34,101
	<u>          </u>	<u>          </u>
	1,234,335	1,262,648
	<u>          </u>	<u>          </u>

No employees had employee benefits in excess of £60,000.

The charity trustees did not receive any remuneration or other benefits from employment with the charity in the year (2021: £nil), neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Total remuneration of key management personnel in the year was £68,505 (2021: £67,766).

The average monthly head count was 71 staff (2021: 74 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<u>2022</u>	<u>2021</u>
Charitable activities	67	70
Governance	4	4
	<u>  71  </u>	<u>  74  </u>

**Notes to the financial statements for the year ended 31 March 2022 (continued)****9 Tangible fixed assets**

	<u>Leasehold property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b><u>Cost</u></b>				
At 1 April 2021	3,632,234	174,282	104,167	3,910,683
Additions	641	-	-	641
At 31 March 2022	3,632,875	174,282	104,167	3,911,324
<b><u>Depreciation</u></b>				
At 1 April 2021	832,515	164,072	81,402	1,077,989
Provided during the year	72,645	2,553	5,692	80,890
At 31 March 2022	905,160	166,625	87,094	1,158,879
<b><u>Net book value</u></b>				
At 31 March 2022	2,727,715	7,657	17,073	2,752,445
At 31 March 2021	2,799,719	10,210	22,765	2,832,694

**10 Stocks**

	<u>2022</u> £	<u>2021</u> £
Consumables	2,200	2,200

**11 Debtors:** All receivable within one year

	<u>2022</u> £	<u>2021</u> £
Trade debtors	74,584	67,400
Prepayments and accrued income	11,855	9,563
	<u>86,439</u>	<u>76,963</u>

**Notes to the financial statements for the year ended 31 March 2022 (continued)****12 Creditors:** Amounts falling due within one year

	<u>2022</u> £	<u>2021</u> £
Trade creditors	23,870	43,932
Other tax and social security	14,098	15,058
Other creditors	7,916	9,491
Accruals and deferred income	99,861	97,869
	<u>145,745</u>	<u>166,350</u>

**13 Pension costs**

The Association operates a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The cost for the year was £28,809 (2021: £34,101).

**14 Analysis of movement in unrestricted funds**

	<u>Retained</u> <u>Surplus</u> £	<u>Assets</u> <u>Completed</u> £	<u>Designated</u> <u>Fund for</u> <u>WISH</u> <u>Appeal</u> £	<u>Total</u> <u>Unrestricted</u> <u>Funds</u> £
Balance at 1 April 2021	2,218,938	2,750,317	355,322	5,324,577
Incoming resources	1,841,441	-	-	1,841,441
Resources expended	(1,564,885)	(70,161)	-	(1,635,046)
Transfers	(100,000)	641	112,954	13,595
	<u>2,395,494</u>	<u>2,680,797</u>	<u>468,276</u>	<u>5,544,567</u>

The Retained Surplus represents the free funds of the Charity which are not designated for particular purposes.

The Assets Completed Fund has been set up to assist in identifying those funds that are not free funds, and it represents the value of assets now completed less accumulated depreciation which have been funded from the First Brick and WISH Appeal.

The Designated Fund represents funds allocated to the WISH Appeal.

**15 Analysis of movement in restricted funds**

	<u>Activities</u> <u>Fund</u> £	<u>WISH</u> <u>Appeal</u> <u>Fund</u> £	<u>Power</u> <u>Chair</u> <u>Football</u> <u>Fund</u> £	<u>Total</u> <u>Restricted</u> <u>Funds</u> £
Balance at 1 April 2021	1,345	-	867	2,212
Incoming resources	174	13,595	-	13,769
Resources expended	(596)	-	-	(596)
Transfers	-	(13,595)	-	(13,595)
	<u>923</u>	<u>-</u>	<u>867</u>	<u>1,790</u>

**Notes to the financial statements for the year ended 31 March 2022 (continued)****16 Control relationships**

The Association was controlled throughout the current and previous period by its Executive Council.

**17 Related party transactions**

There are no related party transactions during the period (2021: £nil).

**18 Analysis of net assets between funds**

Fund balances at 31 March 2022 are represented by:

	<b><u>Restricted</u></b> <b><u>funds</u></b> £	<b><u>Unrestricted</u></b> <b><u>funds</u></b> £	<b><u>Total</u></b> £
Tangible fixed assets	-	2,752,445	2,752,445
Cash at bank and in hand	1,790	2,849,228	2,851,018
Other net current assets/(liabilities)	-	(57,106)	(57,106)
Total	1,790	5,544,567	5,546,357

**General account for the year ended 31 March 2022**

	<u>2022</u> £	<u>2021</u> £
<b>Income</b>		
Social security benefits and third parties	216,095	218,844
Personal allowances	(23,533)	(23,257)
Local authority and third parties		
- day attenders	101,860	101,900
- funding	1,174,441	1,152,317
- respite care	75,199	138,095
- assessment fees	680	243
- continuing care	235,233	90,583
Sundry receipts	4,783	2,930
Grants received	56,234	82,362
Rents received	210	-
Bank interest received	239	2,182
	<hr/>	<hr/>
	1,841,441	1,766,199
	<hr/>	<hr/>
<b>Less: Overheads</b>		
Salaries and employees healthcare	1,234,335	1,262,648
Food and provisions	42,616	38,323
Repairs and renewals	151,805	127,053
Telephone charges	1,356	1,305
Printing, stationery and advertising	16,915	14,059
Travel and motor expenses	5,013	4,885
Heating and lighting	22,599	47,854
Insurances	28,957	29,999
Rates	19,519	17,056
Accountancy charges	5,441	5,782
Bank charges	670	1,190
Legal, professional and CRB fees	1,475	15,029
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	1,835	3,400
Cleaning and sundry expenses	15,841	22,838
Depreciation	80,890	74,594
	<hr/>	<hr/>
	1,635,046	1,671,794
	<hr/>	<hr/>
<b>Net surplus for the year</b>	<u>206,395</u>	<u>94,405</u>

**Activities income and expenditure account for the year ended 31 March 2022**

		<b><u>2022</u></b>		<b><u>2021</u></b>
		£		£
Balance brought forward		1,345		2,309
<b>Income</b>				
Arts and crafts	167		-	
Reiki	-		12	
Health and beauty	-		37	
Baking	7	174	15	64
		<u>1,519</u>		<u>2,373</u>
<b>Expenditure</b>				
Arts and crafts	596		-	
Reiki	-		1,008	
Health and beauty	-		20	
		<u>596</u>		<u>1,028</u>
Balance carried forward		<u>923</u>		<u>1,345</u>

**BLF Grant – Power Chair Football account for the year ended 31 March 2022**

		<b><u>2022</u></b>		<b><u>2021</u></b>
		£		£
Balance brought forward		867		867
Balance carried forward		<u>867</u>		<u>867</u>

The Wish Appeal Fund for the year ended 31 March 2022

	<u>2022</u> £	<u>2021</u> £
<b>Income</b>		
Donations received	3,476	86,994
<b>Net Income from Fund Raising Efforts</b>		
200 Club	4,595	4,435
Car Boot sales	1,702	571
Christmas Draw	1,817	1,000
Summer Fete	1,810	-
Collection boxes	6	-
Lincs Lotto	189	295
	<hr/>	<hr/>
	10,119	6,301
	<hr/>	<hr/>
<b>Total income</b>	13,595	93,295
	<hr/>	<hr/>
<b>Surplus for the year</b>	<u>13,595</u>	<u>93,295</u>

The Wish Appeal Fund for the year ended 31 March 2022

	<u>2022</u> £	<u>2021</u> £
Balance brought forward at 1 April 2021	-	-
Funds raised during the year	13,595	93,295
Phase 9 expenses transferred to Assets Completed Fund	-	(93,913)
Phase 10 expenses transferred to Assets Completed Fund	(641)	-
Transfer (to)/from designated fund	(12,954)	618
	<hr/>	<hr/>
<b>Fund balance at 31 March 2022</b>	<u>-</u>	<u>-</u>
<b>Amount Designated for the fund from the Retained Surplus</b>		
Balance brought forward	355,322	355,940
Transfer /from/(to) restricted fund	12,954	(618)
Transfer from unrestricted surplus	100,000	-
	<hr/>	<hr/>
<b>Balance at 31 March 2022</b>	<u>468,276</u>	<u>355,322</u>
	<hr/>	<hr/>
<b>Total Wish Appeal Fund</b>	<u>468,276</u>	<u>355,322</u>

**LINCOLNSHIRE HOUSE ASSOCIATION**

England & Wales - Charity number 700717

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# Accounts

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**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements**

**For the year ended**

**31 March 2021**

**Registered company number: 2262217**

**Registered charity number: 700717**

**LINCOLNSHIRE HOUSE ASSOCIATION**

**Financial statements for the year ended 31 March 2021**

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**Executive Council's report for the year ended 31 March 2021**

The council are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) published in October 2019.

**Reference and administrative information**

Charity name: Lincolnshire House Association  
Charity registration number: 700717  
Company registration number: 2262217  
Registered office and operational address: Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire, DN17 1AF

The members of the Executive Council at the date of this report and who served during the year were as follows:

Mrs S K Eynott (Secretary)  
Mr M Burnett  
Mrs P M Fiddler (resigned 17 August 2021)  
Mr N C Sofroniou  
Mr B G Taylor  
Mr R C Eynott  
Mr J D Beverley (resigned 1 March 2021)  
Miss G Smith  
Ms I V Crowther  
Mrs W Liles  
Mrs L Haresign (appointed 1 March 2021)  
Mrs J Hodge (appointed 1 September 2021)

**Manager**

Mr I Millard

**Auditors**

RNS Chartered Accountants, 50-54 Oswald Road, Scunthorpe, DN15 7PQ

**Bankers**

HSBC Bank plc, 84 High Street, Scunthorpe, North Lincolnshire, DN15 6HQ

**Solicitors**

The Company has not formally appointed solicitors but uses a number of local firms as the need arises and depending upon the expertise required.

**Executive Council's report for the year ended 31 March 2021 (continued)****Objectives and activities**

Lincolnshire House provides high quality residential accommodation and day care together with respite care for persons with cerebral palsy and associated or similar disabilities. Care services include education, treatments and the promotion of independence together with the necessary advice and support.

The policies adopted in furtherance of these aims are:

- a) We expend Local Authority, Social Security Benefits funding and other sundry income in a prudent manner for the purpose of the day to day running of Lincolnshire House.
- b) We organise fund raising events, which, together with donations and any surplus designated from the general fund to the WISH Appeal, are to be applied to the construction of further residential accommodation either in the local community or on our existing site.
- c) Lincolnshire House continues to improve the facilities provided for the residences, day attendees and those on respite care. By a continuous programme of staff training we aim to improve on our existing high standards of care.
- d) To widen the experiences of our service users we are establishing relationships with other similar organisations in the local area by arranging regular interchange visits. We will expand this activity in the coming year.
- e) To help further improve our service and ensure continuation of our quality level we continue to address concerns and comments arising from our regular quality assurance surveys.

In shaping our objectives for the year and planning our activities, the council have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**STRATEGIC REPORT****Achievements and performance**

The Wish Appeal income increased to £93,295 compared to £26,431 the previous year. This was largely due to a legacy of £72,480 being received in the year. £6,301 was raised through fundraising events and £86,994 was donated.

CQC completed an assessment based on the PIR (provider information return). The outcome resulted in the rating remaining the same, GOOD.

The main achievement in the past year has been successfully managing COVID-19 and keeping everyone safe. COVID-19 has presented huge challenges for both the residents and staff. The staff have responded to this challenge in a positive manner ensuring that even with restrictions, a happy environment is maintained.

In August we saw the completion of phase 9. This undoubtedly being the most challenging phase to date, when the contractor failed to complete the contract. Having returned to tender we were able to source a local contractor who was able to complete the building. In August the admin staff were able to move into the new offices. This has enhanced the facilities further at Lincolnshire House, as we now have an admin building which is accessible to all!

Due to some of the buildings being over 20 years old, we turned our attention to investing in maintenance. Many of the bathrooms and en-suites have been revamped; this will be a continuous programme.

Four staff have achieved level 3 NVQ with a further two having acquired level 2. Mandatory training remains high on the agenda, and a number of staff have obtained first aid qualifications. One senior care officer has updated "train the trainer" for moving and handling. The registered manager has retained "train the trainer" status in medication.

We have received a number of grants from the local authorities which has helped us with additional costs related to COVID-19. Councils have allowed for reasonable fee uplifts, which has helped as the demand for residential care has decreased through COVID-19.

**Executive Council's report for the year ended 31 March 2021 (continued)**

**Financial review**

During the period under review, donations and other sundry income into the restricted fund for the WISH Appeal amounted to £93,295. £93,913 was transferred to the Completed Assets fund during phase 9 of the development leaving a balance of £nil in the restricted WISH Appeal fund, with the balance of the money spent on phase 9 of £618 being transferred from the WISH Appeal designated fund. This leaves a cumulative designation of £355,322 for the WISH Appeal whenever this is required. The balance of the Power Chair Football fund of £867 and the Activities fund of £1,345 made up total restricted funds of £2,212.

Income for the general running expenses amounted to £1,766,199 of which £1,671,794 was expended, the closing balance of general unrestricted reserves amounted to £2,218,938. The Assets Completed Fund is now £2,750,317 after the completion of the phase 9 development.

Sponsoring authorities remain committed to the residents of Lincolnshire House and the general reserves are maintained in line with the policy objectives. The reserve policy for general reserves is to maintain at least 12 months running costs.

Sponsoring authorities are the main source of income for the charity. Some fundraising is done in the local community and these events are generally run by our own employees. We believe we are compliant with GDPR when contacting our supporters and this is done directly by our trained employees to prevent unreasonable intrusion on a person's privacy, unreasonably persistent methods to receive a donation and undue pressure on a person to give a donation. We have received no complaints regarding our fund raising procedures during the year.

**Plans for the future**

Due to the uncertainties with COVID-19 it was decided not to proceed with phase 10 (the hot tub) for six months until we could see financial stability with day care and respite. In the coming months we are looking at returning to the contractors to update the tender with a view of completing the project.

We will continue to invest in revamping the facilities in the bungalows.

Major fundraising events will only continue when safe to do so.

We will continue to adhere to all COVID-19 guidelines to ensure everyone stays safe.

As we currently have a vacancy, we will look at a promotional video to inform interested parties about the services that we offer.

**Structure, governance and management**

Lincolnshire House Association is a Charity governed by the Memorandum and Articles of Association and under which the Company is incorporated as a company limited by guarantee.

The Company continues to seek new members for the Executive Council from both public and from the residents of Lincolnshire House. When recruited, new members are given advice and information as to the objectives, policies and procedures of the organisation.

The Manager is responsible to and attends and reports to all meetings of the Executive Council on significant day to day events. All major decisions are discussed at the meetings of the Council and are delegated for implementation either through the Manager or by one or more representatives of the Council and the Manager.

The major risks, to which the Company is exposed, as identified by the Executive Council, have been reviewed and systems have been established to mitigate those risks.

**Executive Council's report for the year ended 31 March 2021 (continued)****Executive Council's responsibilities**

The Council's members (who are also the directors of Lincolnshire House Association for the purposes of company law) are responsible for preparing a Council's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council's members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the members of the Council are required to:

- a) Select suitable accounting policies and apply them consistently.
- b) Observe the methods and principles in the Charities SORP 2019 (FRS 102).
- c) Make judgements and estimates that are reasonable and prudent.
- d) State whether applicable UK accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- e) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council's members are responsible for keeping proper 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Statement as to disclosure to our auditors**

In so far as the Council members are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the council members 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.


In approving the Council's Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Council:

**Principal address and  
Registered office**

Lincolnshire House Association  
Brumby Wood Lane  
Scunthorpe  
North Lincolnshire  
DN17 1AF

  
.....  
**Ms I V Crowther**  
**Representative of**  
**the Executive Council**

**Date:** 30.09.2021

**Independent Auditor's Report to the Council Members of Lincolnshire House Association**

**Opinion on financial statements**

We have audited the financial statements of Lincolnshire House Association for the year ended 31 March 2021, which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and republic of Ireland* (United Kingdom Generally Accounting Practice).

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Executive Council's 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

We have nothing to report in this regard.

**Independent auditor's report to the Council Members of Lincolnshire House Association (continued)****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 Executive Councils' report, incorporating the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Executive Councils' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Executive Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement set out on page 4, the Executive Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Council 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 Executive Council are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intend to liquidate the 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**

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 as 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.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

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 is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to

Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)

fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- the nature of the industry and sector, control environment and business performance including the design of remuneration policies;
- the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the key laws and regulations under which the charity operates and whether management were aware of any instances of noncompliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist **within** the organisation for fraud and identified the greatest potential for fraud in the following areas:

- revenue recognition,
- purchase ledger and credit card transactions,
- transactions surrounding the processing of payroll and
- management override of controls.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Charities Act and Regulations established by regulators in the key sectors in which the charity operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the operating regulations relevant to the charity.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning any actual and potential litigation and claims;
- performing 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 in revenue recognition, in addition to our testing described above we have performed focussed testing on income arising close to the year-end combined with analytical review procedures to assess accuracy and completeness of revenue recognised;

**Independent auditor's report to the Council Members of Lincolnshire House Association  
(continued)**

- in addressing the risk of fraud in the use of purchase ledger and credit card transactions, we have reviewed the controls surrounding the transactions and whether purchases have been appropriately authorised at each relevant stage;
- in addressing the risk of fraud in payroll, we have tested the control procedures surrounding the authorisation of both timesheets and the payroll itself, sought confirmation over the responsibility of staff members involved in the payroll process and confirmed the existence of a sample of employees; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.fc.org.uk/auditorresponsibilities](http://www.fc.org.uk/auditorresponsibilities). This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

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



**Mr J Heehey BA FCA**  
**Senior Statutory Auditor**

For and on behalf of:  
**RNS Chartered Accountants**  
**Statutory Auditors**

50-54 Oswald Road  
Scunthorpe  
North Lincolnshire  
DN15 7PQ

**Date:** 30 September 2021

**Statement of financial activities (including income and expenditure account)****For the year ended 31 March 2021**

	<u>Notes</u>	<u>Restricted</u> <u>funds</u> <u>2021</u> £	<u>Unrestricted</u> <u>funds</u> <u>2021</u> £	<u>Total</u> <u>funds</u> <u>2021</u> £	<u>Total</u> <u>funds</u> <u>2020</u> £
<b>Income from:</b>					
Donations		86,994	-	86,994	8,429
Charitable activities	3	-	1,681,655	1,681,655	1,843,271
Other trading activities – fundraising events		6,301	-	6,301	18,154
Other		64	82,362	82,426	8,478
Investment income - bank interest		-	2,182	2,182	9,582
<b>Total income</b>		<b>93,359</b>	<b>1,766,199</b>	<b>1,859,558</b>	<b>1,887,914</b>
<b>Expenditure on:</b>					
Charitable activities	4	1,028	1,671,794	1,672,822	1,653,967
<b>Total expenditure</b>		<b>1,028</b>	<b>1,671,794</b>	<b>1,672,822</b>	<b>1,653,967</b>
<b>Net income</b>		<b>92,331</b>	<b>94,405</b>	<b>186,736</b>	<b>233,947</b>
<b>Transfers between funds</b>		<b>(93,295)</b>	<b>93,295</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds for the year</b>		<b>(964)</b>	<b>187,700</b>	<b>186,736</b>	<b>233,947</b>
Total funds brought forward		3,176	5,136,877	5,140,053	4,906,106
<b>Total funds carried forward</b>		<b>2,212</b>	<b>5,324,577</b>	<b>5,326,789</b>	<b>5,140,053</b>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Summary income and expenditure account

Year ended 31 March 2021

	<u>2021</u> £	<u>2020</u> £
Income	1,857,376	1,878,332
Investment income	2,182	9,582
	<hr/>	<hr/>
Gross income	1,859,558	1,887,914
Expenditure	1,672,822	1,653,967
	<hr/>	<hr/>
<b>Net income</b>	<b>186,736</b>	<b>233,947</b>
	<hr/> <hr/>	<hr/> <hr/>

Balance sheet as at 31 March 2021Company number: 2262217

	<u>Notes</u>	£	<u>2021</u> £	£	<u>2020</u> £
<b>Fixed assets</b>					
Tangible assets	9		2,832,694		2,813,375
<b>Current assets</b>					
Stocks	10	2,200		2,200	
Debtors	11	76,963		98,546	
Cash at bank and in hand		2,581,282		2,281,286	
<b>Total current assets</b>		2,660,445		2,382,032	
<b>Liabilities</b>					
Creditors falling due within one year	12	166,350		55,354	
<b>Net current assets</b>			2,494,095		2,326,678
<b>Net assets</b>			5,326,789		5,140,053
<b>The funds of the charity</b>					
Restricted funds	15		2,212		3,176
Unrestricted funds	14		5,324,577		5,136,877
<b>Total charity funds</b>	18		5,326,789		5,140,053

The financial statements were approved by the Executive Council on 30.9. 2021



Ms I V Crowther  
Representative of the Executive Council

**Statement of cash flows****Year ended 31 March 2021**

	<b><u>2021</u></b> £	<b><u>2020</u></b> £
<b>Cash flow from operating activities</b>		
Net income for the year	186,736	233,947
Depreciation	74,594	78,257
Interest received	(2,182)	(9,582)
Decrease in debtors	21,583	32,125
Increase/(decrease) in creditors	110,996	(11,508)
	<hr/>	<hr/>
	391,727	323,239
	<hr/>	<hr/>
<b>Cash flow from investing activities</b>		
Interest received	2,182	9,582
Payments to acquire tangible fixed assets	(93,913)	(358,274)
	<hr/>	<hr/>
<b>Net cash flow from investing activities</b>	(91,731)	(348,692)
	<hr/>	<hr/>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	299,996	(25,453)
<b>Cash and cash equivalents at 1 April 2020</b>	2,281,286	2,306,739
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2021</b>	2,581,282	2,281,286
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	2,581,282	2,281,286
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2021</b>	2,581,282	2,281,286
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the financial statements for the year ended 31 March 2021****1 Summary of significant accounting policies****General information and basis of preparation**

Lincolnshire House Association is a private limited company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the executive council's report on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

**Fund accounting**

Unrestricted funds are available for use at the discretion of the Council in furtherance of the general objectives of the charity where these have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the

**Notes to the financial statements for the year ended 31 March 2021 (continued)****1 Summary of significant accounting policies (continued)**

charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

**Government grants**

Government grants are accounted for under the accruals model. Revenue based grants that are received in respect of expenses or losses already incurred by the entity are recognised in profit and loss in the period when the grant becomes receivable.

**Expenditure recognition**

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

Expenditure on charitable activities includes the costs of the provision of the residential accommodation and day care facilities and care services including education, treatments, advice and support.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**Governance costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. These costs have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold buildings	2%	per annum of cost
Fixtures and fittings	25%	per annum of net book value
Motor vehicles	25%	per annum of net book value

**Stocks**

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

**Debtors**

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

**Notes to the financial statements for the year ended 31 March 2021 (continued)****1 Summary of significant accounting policies (continued)****Cash at bank and in hand**

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

**Creditors**

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.

**Taxation**

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

**Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Going concern**

The financial statements have been prepared on a going concern basis as the Council believe that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**2 Legal status**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**3 Income from charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Social Security Benefits	-	195,587	195,587	198,517
Local Authorities	-	1,254,217	1,254,217	1,304,672
Third parties	-	231,851	231,851	340,082
	-	1,681,655	1,681,655	1,843,271

**Notes to the financial statements for the year ended 31 March 2021 (continued)****4 Analysis of expenditure on charitable activities**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Carers' salaries	-	1,093,988	1,093,988	1,110,645
Food and provisions	-	38,323	38,323	45,748
Repairs and renewals	-	127,053	127,053	99,709
Telephone charges	-	1,305	1,305	1,527
Printing, stationery and advertising	-	14,059	14,059	11,882
Travel and motor expenses	-	4,885	4,885	7,237
Heating and light	-	47,854	47,854	49,971
Insurance	-	29,999	29,999	26,780
Rates	-	17,056	17,056	18,615
Care quality commission registration fee	-	5,779	5,779	5,779
Course and tuition fees	-	3,400	3,400	3,081
Cleaning and sundry	-	22,838	22,838	13,838
Activities	1,028	-	1,028	972
Depreciation	-	74,594	74,594	78,257
Housekeeping	-	-	-	5,661
Governance costs (see note 5)	-	190,661	190,661	174,265
	1,028	1,671,794	1,672,822	1,653,967

**5 Analysis of governance costs**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Bank charges and interest	-	1,190	1,190	1,328
Accountancy and audit fees	-	5,782	5,782	6,274
Legal and professional fees	-	15,029	15,029	2,570
Administration salaries	-	162,631	162,631	159,610
Administration staff pensions	-	6,029	6,029	4,483
	-	190,661	190,661	174,265

**6 Government Grants**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
	£	£	Total	Total
			£	£
Coronavirus assistance measures	-	82,362	82,362	-

**Notes to the financial statements for the year ended 31 March 2021 (continued)****7 Net income for the year**

This is stated after charging:

	<b><u>2021</u></b>	<b><u>2020</u></b>
	£	£
Depreciation and amortisation of owned assets	74,594	78,257
Auditor's remuneration:		
Audit fees	3,600	3,600
Accountancy services	2,182	2,674
	<u>          </u>	<u>          </u>

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

The total staff costs and employees benefit's was as follows:

	<b><u>2021</u></b>	<b><u>2020</u></b>
	£	£
Wages and salaries	1,152,054	1,174,257
Social security costs	76,493	70,906
Pension costs	34,101	29,575
	<u>          </u>	<u>          </u>
	<u>1,262,648</u>	<u>1,274,738</u>

No employees had employee benefits in excess of £60,000.

The charity trustees did not receive any remuneration or other benefits from employment with the charity in the year (2020: £nil), neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Total remuneration of key management personnel in the year was £67,766 (2020: £66,046).

The average monthly head count was 74 staff (2020: 86 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Charitable activities	70	82
Governance	4	4
	<u>74</u>	<u>86</u>

Notes to the financial statements for the year ended 31 March 2021 (continued)**9 Tangible fixed assets**

	<u>Leasehold property</u> £	<u>Fixtures and fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b><u>Cost</u></b>				
At 1 April 2020	3,538,321	174,282	104,167	3,816,770
Additions	93,913	-	-	93,913
At 31 March 2021	3,632,234	174,282	104,167	3,910,683
<b><u>Depreciation</u></b>				
At 1 April 2020	768,914	160,667	73,814	1,003,395
Provided during the year	63,601	3,405	7,588	74,594
At 31 March 2021	832,515	164,072	81,402	1,077,989
<b><u>Net book value</u></b>				
At 31 March 2021	2,799,719	10,210	22,765	2,832,694
At 31 March 2020	2,769,407	13,615	30,353	2,813,375

**10 Stocks**

	<u>2021</u> £	<u>2020</u> £
Consumables	2,200	2,200

**11 Debtors:** All receivable within one year

	<u>2021</u> £	<u>2020</u> £
Trade debtors	67,400	86,278
Prepayments and accrued income	9,563	12,268
	<u>76,963</u>	<u>98,546</u>

**Notes to the financial statements for the year ended 31 March 2021 (continued)****12 Creditors:** Amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	£	£
Trade creditors	43,932	8,662
Other tax and social security	15,058	16,212
Other creditors	9,491	12,844
Accruals and deferred income	97,869	17,636
	<u>166,350</u>	<u>55,354</u>

**13 Pension costs**

The Association operates a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The cost for the year was £34,101 (2020 - £29,575).

**14 Analysis of movement in unrestricted funds**

	<u>Retained</u>	<u>Assets</u>	<u>Designated</u>	<u>Total</u>
	<u>Surplus</u>	<u>Completed</u>	<u>Fund for</u>	<u>Unrestricted</u>
	£	£	<u>WISH</u>	<u>Funds</u>
	£	£	<u>Appeal</u>	£
Balance at 1 April 2020	2,060,932	2,720,005	355,940	5,136,877
Incoming resources	1,766,199	-	-	1,766,199
Resources expended	(1,608,193)	(63,601)	-	(1,671,794)
Transfers	-	93,913	(618)	93,295
	<u>2,218,938</u>	<u>2,750,317</u>	<u>355,322</u>	<u>5,324,577</u>

The Retained Surplus represents the free funds of the Charity which are not designated for particular purposes.

The Assets Completed Fund has been set up to assist in identifying those funds that are not free funds, and it represents the value of assets now completed less accumulated depreciation which have been funded from the First Brick and WISH Appeal.

The Designated Fund represents funds allocated to the WISH Appeal.

**15 Analysis of movement in restricted funds**

	<u>Activities</u>	<u>WISH</u>	<u>Power</u>	<u>Total</u>
	<u>Fund</u>	<u>Appeal</u>	<u>Chair</u>	<u>Restricted</u>
	£	£	£	£
Balance at 1 April 2020	2,309	-	867	3,176
Incoming resources	64	93,295	-	93,359
Resources expended	(1,028)	-	-	(1,028)
Transfers	-	(93,295)	-	(93,295)
	<u>1,345</u>	<u>-</u>	<u>867</u>	<u>2,212</u>

**Notes to the financial statements for the year ended 31 March 2021 (continued)****16 Control relationships**

The Association was controlled throughout the current and previous period by its Executive Council.

**17 Related party transactions**

There are no related party transactions during the period (2020: £nil).

**18 Analysis of net assets between funds**

Fund balances at 31 March 2021 are represented by:

	<b><u>Restricted</u></b> <b><u>funds</u></b> £	<b><u>Unrestricted</u></b> <b><u>funds</u></b> £	<b><u>Total</u></b> £
Tangible fixed assets	-	2,832,694	2,832,694
Cash at bank and in hand	2,212	2,579,070	2,581,282
Other net current assets/(liabilities)	-	(87,187)	(87,187)
Total	2,212	5,324,577	5,326,789

**General account for the year ended 31 March 2021**

	<u>2021</u> £	<u>2020</u> £
<b>Income</b>		
Social security benefits and third parties	218,844	222,790
Personal allowances	(23,257)	(24,273)
Local authority and third parties		
- day attenders	101,900	138,166
- funding	1,152,317	1,166,506
- respite care	138,095	159,303
- assessment fees	243	285
- continuing care	90,583	180,494
Sundry receipts	2,930	6,803
Grants received	82,362	-
Rents received	-	690
Bank interest received	2,182	9,582
Donations	-	152
	<u>1,766,199</u>	<u>1,860,498</u>
<b>Less: Overheads</b>		
Salaries and employees healthcare	1,262,648	1,274,738
Food and provisions	38,323	45,748
Repairs and renewals	127,053	99,709
Telephone charges	1,305	1,527
Printing, stationery and advertising	14,059	11,882
Travel and motor expenses	4,885	7,237
Heating and lighting	47,854	49,971
Insurances	29,999	26,780
Rates	17,056	18,615
Accountancy charges	5,782	6,274
Bank charges	1,190	1,328
Legal, professional and CRB fees	15,029	2,570
Care Quality Commission registration fee	5,779	5,779
Course and tuition costs	3,400	3,081
Cleaning and sundry expenses	22,838	13,838
Housekeeping	-	5,661
Depreciation	74,594	78,257
	<u>1,671,794</u>	<u>1,652,995</u>
<b>Net surplus for the year</b>	<u>94,405</u>	<u>207,503</u>

**Activities income and expenditure account for the year ended 31 March 2021**

	<u>2021</u> £		<u>2020</u> £
Balance brought forward	2,309		2,296
<b>Income</b>			
Arts and crafts	-	621	
Reiki	12	45	
Health and beauty	37	59	
Baking	15	260	985
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	2,373		3,281
<b>Expenditure</b>			
Arts and crafts	-	220	
Reiki	1,008	-	
Health and beauty	20	583	
Baking	-	142	
Licences	-	27	
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	1,028		972
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Balance carried forward	<u>1,345</u>		<u>2,309</u>

**BLF Grant – Power Chair Football account for the year ended 31 March 2021**

	<u>2021</u> £		<u>2020</u> £
Balance brought forward	867		867
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Balance carried forward	<u>867</u>		<u>867</u>

The Wish Appeal Fund for the year ended 31 March 2021

	<u>2021</u> £	<u>2020</u> £
<b>Income</b>		
Donations received	86,994	8,277
<b>Net Income from Fund Raising Efforts</b>		
200 Club	4,435	4,580
Horse Racing Night	-	110
Tote/Bonus Ball	-	144
Midsummer Walk	-	994
Car Boot sales	571	1,103
Quiz Nights	-	378
Sportsman's Dinner	-	2,795
Christmas Draw	1,000	1,648
Summer Fete	-	1,980
Christmas Fayre	-	536
Collection boxes	-	115
Tea Party – Dance marathon	-	1,310
Ria's Walk	-	735
Bingo	-	379
Easter Fayre	-	421
Craft Fayre	-	338
Kurling	-	199
Lincs Lotto	295	304
Karate Club	-	85
	<hr/>	<hr/>
	6,301	18,154
	<hr/>	<hr/>
<b>Total income</b>	93,295	26,431
	<hr/>	<hr/>
<b>Surplus for the year</b>	<u>93,295</u>	<u>26,431</u>

**The Wish Appeal Fund for the year ended 31 March 2021**

	<b><u>2021</u></b> £	<b><u>2020</u></b> £
Balance brought forward at 1 April 2020	-	-
Funds raised during the year	93,295	26,431
Phase 9 expenses transferred to Assets Completed Fund	(93,913)	(357,330)
Phase 10 expenses transferred to Assets Completed Fund	-	(944)
Transfer from designated fund	618	331,843
	<hr/>	<hr/>
<b>Fund balance at 31 March 2021</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Amount Designated for the fund from the Retained Surplus</b>		
Balance brought forward	355,940	637,783
Transfer to restricted fund	(618)	(331,843)
Transfer from unrestricted surplus	-	50,000
	<hr/>	<hr/>
<b>Balance at 31 March 2021</b>	<b>355,322</b>	<b>355,940</b>
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<b>Total Wish Appeal Fund</b>	<b>355,322</b>	<b>355,940</b>
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