

Charity registration number 703194

Company registration number 02516363 (England and Wales)

**CROFT CARE TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# CROFT CARE TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mrs A Edmondson Mr P J Heath Mrs B Pearce Miss S Edmondson Mrs C Hibbert
<b>Charity number</b>	703194
<b>Company number</b>	02516363
<b>Registered office</b>	The Croft Hawcoat Lane Barrow in Furness Cumbria LA14 4HE
<b>Auditor</b>	JL Winder & Co Suite 6 Furness Gate Peter Green Way Barrow in Furness Cumbria LA14 2PE
<b>Bankers</b>	NatWest 113 Dalton Road Barrow in Furness Cumbria LA14 1WY  Furness Building Society 51-55 Duke Street Barrow in Furness Cumbria LA14 1RT

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# CROFT CARE TRUST

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# **CROFT CARE TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [Governing document], the Companies Act 2006 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)" (effective 1 January 2019).

### **Objectives and activities**

The Charity's objects are to promote the care, treatment, education and advancement of people with learning and physical difficulties in Barrow in Furness.

The objectives are carried out by providing long term care in a Nursing and Residential setting. The Charity has 46 long term care beds (23 nursing and 23 residential) within a homely environment in which the Residents can live a full and active life.

The Charity's aim is to provide a safe and caring environment for Residents for as long as it is needed. Each Resident receives individualised care of the highest possible standard based on current knowledge and research, which promotes privacy, dignity and respect.

There has been no change in these during the year.

The Trustees have paid due regard to guidance in section 17(5) of the 2011 Charities Act issued by the Charity Commission in deciding what activities the Charity should undertake.

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the Company Law requirements for the Trustees to present a strategic report.

### **Achievements and performance**

This year continued with Steven Hibbert as the Registered Manager and Helen Waite and Julie Marklew making up the Senior Management Team. The structure is one Registered Manager leading a team of two Senior Managers and two Junior Managers.

Our last inspection by CQC was on 25th February 2022. We were classed as a 'Good' home.

We continue to update and modernise and as Residents' needs change we adjust accordingly, keeping the accommodation maintained to a high standard.

As with all Care Homes we have been faced with the COVID-19 pandemic since early 2020. This changed how we work and restricted what Residents and Staff could do. Until March 2022 we were supported by grant income but it was a difficult period and we had to continually adapt to changing guidelines to keep Staff and Residents safe.

The difficult decision to close Crofties, our sandwich shop based at Highlands Avenue, was made in June 2022. Work is being done to convert this to a flat which we intend to let out, as we have done with the flat above the shop for a few years now.

We continue to audit and review on a regular basis and continuously provide staff training specifically for our Residents' needs.



# **CROFT CARE TRUST**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Financial review**

During the year the Charity provided long term residential care for 46 Residents (2022 - 46), 23 within the Nursing Home and 23 within the Village. For much of this year there was a vacancy in both the Nursing Home and the Village.

The Charity received fees for providing this residential care of £2,394,343 (2022 - £2,123,485). It received other income from charitable activities of £3,408 (2022 - £4,056).

The Charity has a significant Investment Portfolio and received investment income of £33,154 (2022 - £24,919) from interest and dividends on these investments, and rent from the rental property.

It also received donations, gifts and unrestricted grants of £47,984 (2022 - £14,574) and restricted grant income of £nil (2022 - £112,475). The restricted income was to fund expenses incurred regarding additional COVID measures and also to help enhance Staff wages and retain Staff.

Shop income was £7,881 (2022 - £47,533). As mentioned the shop closed in June 2022.

This resulted in total income of £2,486,770 (2022 - £2,327,042) for the financial year.

Charitable expenditure in the year totalled £2,452,738 (2022 - £2,264,735), £1,898,200 (2022 - £1,776,678) of which was for staff wage costs to enable the care to be provided. Depreciation accounts for a substantial part of these figures being £85,624 (2022 - £86,891).

£43,222 (2022 - £88,636) was spent on raising funds, the decrease here being as a result of the shop closure.

Total expenditure for the year was £2,500,281 (2022 - £2,353,959).

There were realised losses on Investments of £248,630 (2022 - £7,595) and unrealised gains of £153,541 (2022 - £28,837).

The net movement in funds was a decrease of £108,600 (2022 - decrease of £5,675).

The Charity has unrestricted reserves at the year end of £4,104,231 (2022 - £4,206,488) and restricted reserves of £13,762 (2022 - £20,105).

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level to ensure operation for one year. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Charity has a significant Investment Portfolio which is managed by David Armstrong of True Potential Wealth Management LLP. We intend to retain the capital element of the Investment and draw the income in order to assist with the running costs of the Croft Care Trust.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Plans for future periods**

We hope to continue to provide a much needed service for the local community. We will strive to improve and modernise the complex. We believe that our Staff team is an important asset to the Charity and will remain focussed on Staff training to enable Staff to provide the excellent service for the Residents whom we are privileged to care for.

We continue to strive forward with future planning, in the next accounting year we continue to renovate and improve the buildings and facilities, with a view to making them work better for us and our Residents.

# **CROFT CARE TRUST**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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### **Structure, governance and management**

The Charity is a company limited by guarantee and is governed by a Memorandum and Articles of Association.

The Trustees, who are also the Directors for the purpose of Company Law, and who served during the year and up to the date of signature of the financial statements were:

Mrs A Edmondson  
Mr P J Heath  
Mrs B Pearce  
Miss S Edmondson  
Mrs C Hibbert

Our Trustees are elected each year at our AGM. They are recruited for the skills they bring with them to help the Croft Care Trust. We are always on the look out to recruit more Trustees and ask that people who have the relevant skills apply via letter enclosing a CV. All new applicants will be checked through the Data Barring Service, Individual Insolvency Register, Register of Disqualified Directors and the Charity Commission. Subject to references and completed checks returning satisfactory results, applicants will be invited to join the Trustees.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

All new Trustees are given a guided tour, so long as COVID restrictions allow for this. During the tour they are informed of our history, the type of age group of Clients we have and what our aims are for the future of the Croft Care Trust. They are given a booklet, produced by the Charities Commission called 'The Essential Charity Trustee' (CC3) which gives details of responsibilities undertaken and also the Memorandum and Articles of Association.

The Trustees of the Croft Care Trust are responsible for the business side of the Charity. The day to day running of the Charity is left to the Senior Management Team as follows:-

Mr S Hibbert - Registered Manager  
Mrs J Marklew - Finance Manager  
Helen Waite - Clinical Lead Nurse / Deputy Manager

A review board comprising Mrs Avis Edmondson, Miss Sarah Edmondson and Mrs Colette Hibbert has been established to set the pay and remuneration of the Charity's key Management Personnel.

There are no connected Charities or Branches and no material transactions with Trustees or related parties.

# CROFT CARE TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Funds held as custodian trustee**

The Charity holds, as Custodian Trustee, a separate bank account which is not reflected in these accounts as the money belongs to Residents of Croft Care Trust. At the year end the total held was £4,974 (2022 - £8,028).

### **Auditor**

#### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the Auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Auditor is aware of such information.

The Trustees' report, including the Strategic Report, was approved by the Board of Trustees.



**Mrs A Edmondson**

Dated: 16/8/23

# **CROFT CARE TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2023***

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

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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.

# CROFT CARE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROFT CARE TRUST

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### Opinion

We have audited the financial statements of Croft Care Trust (the 'Charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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 Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes 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 Trustees' report have been prepared in accordance with applicable legal requirements.

# **CROFT CARE TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CROFT CARE TRUST**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



# **CROFT CARE TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CROFT CARE TRUST**

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and senior management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation, data protection, health and social care regulations, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with relevant regulators and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

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

# CROFT CARE TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CROFT CARE TRUST

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Sarah Roberts BSc FCA (Senior Statutory Auditor)  
for and on behalf of JL Winder & Co

29/08/2023

Chartered Accountants  
Statutory Auditor

Suite 6  
Furness Gate  
Peter Green Way  
Barrow in Furness  
Cumbria  
LA14 2PE



# CROFT CARE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	47,984	-	47,984	127,049
Charitable activities	4	2,394,343	-	2,394,343	2,123,485
Other trading activities	5	7,881	-	7,881	47,533
Investments	6	33,154	-	33,154	24,919
Other income	7	3,408	-	3,408	4,056
<b>Total income and endowments</b>		<b>2,486,770</b>	<b>-</b>	<b>2,486,770</b>	<b>2,327,042</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	43,222	-	43,222	88,636
Charitable activities	9	2,446,395	6,343	2,452,738	2,264,735
Other	13	4,321	-	4,321	588
<b>Total resources expended</b>		<b>2,493,938</b>	<b>6,343</b>	<b>2,500,281</b>	<b>2,353,959</b>
Net gains on investments	14	(95,089)	-	(95,089)	21,242
<b>Net movement in funds</b>		<b>(102,257)</b>	<b>(6,343)</b>	<b>(108,600)</b>	<b>(5,675)</b>
Fund balances at 1 April 2022		4,206,488	20,105	4,226,593	4,232,268
<b>Fund balances at 31 March 2023</b>		<b>4,104,231</b>	<b>13,762</b>	<b>4,117,993</b>	<b>4,226,593</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CROFT CARE TRUST

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	16	1,909,975		1,947,050	
Investments	17	1,883,860		1,971,095	
		<u>3,793,835</u>		<u>3,918,145</u>	
<b>Current assets</b>					
Stocks	19	6,725		7,093	
Debtors	18	99,856		80,646	
Cash at bank and in hand		376,862		391,897	
		<u>483,443</u>		<u>479,636</u>	
<b>Creditors: amounts falling due within one year</b>	20	(159,285)		(171,188)	
Net current assets			324,158		308,448
<b>Total assets less current liabilities</b>			<u>4,117,993</u>		<u>4,226,593</u>
<b>Income funds</b>					
Restricted funds	21	13,762		20,105	
<u>Unrestricted funds</u>					
General unrestricted funds	23	<u>4,104,231</u>		<u>4,206,488</u>	
			4,104,231		4,206,488
			<u>4,117,993</u>		<u>4,226,593</u>

The accounts were approved by the Trustees on 16/8/23

A Edmondson

Mrs A Edmondson

Trustee

Company Registration No. 02516363

# CROFT CARE TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		12,535		109,642
<b>Investing activities</b>					
Purchase of tangible fixed assets		(53,400)		(34,373)	
Proceeds from disposal of tangible fixed assets		530		-	
Purchase of investments		(2,039,248)		(180,994)	
Proceeds from disposal of investments		2,031,394		229,548	
Investment income received		33,154		24,919	
<b>Net cash (used in)/generated from investing activities</b>			(27,570)		39,100
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(15,035)		148,742
Cash and cash equivalents at beginning of year			391,897		243,155
<b>Cash and cash equivalents at end of year</b>			376,862		391,897

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Company information

Croft Care Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is The Croft, Hawcoat Lane, Barrow in Furness, Cumbria, LA14 4HE.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

##### 1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Care fee income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts. As the Charity is not VAT registered all figures shown in the accounts are gross.

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are accounted for on an accruals basis and are allocated to the relevant cost category.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Assets with a cost of £500 or less are not capitalised.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

(Continued)

##### 1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

##### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 2 Judgements and key areas of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

#### Fixed assets

The useful life and depreciation rate of tangible fixed assets is regularly reviewed and amended where necessary.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	47,984	-	47,984	14,574
Grants receivable	-	-	-	112,475
	47,984	-	47,984	127,049
<b>For the year ended 31 March 2022</b>	<b>14,574</b>	<b>112,475</b>		<b>127,049</b>

### 4 Charitable activities

	Residential care 2023 £	Residential care 2022 £
Income from care fees	2,394,343	2,123,485

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 5 Other trading activities

Unrestricted funds	Unrestricted funds
2023	2022
£	£
Shop income	
7,881	47,533

### 6 Investments

Unrestricted funds	Total
2023	2022
£	£
Rental income	
8,122	6,984
Dividends received	
22,903	17,517
Interest receivable	
2,129	418
33,154	24,919

### 7 Other income

	2023	2022
	£	£
Income from staff meals	195	133
Minibus income	1,276	1,157
Misc income	1,937	2,766
	3,408	4,056



# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 8 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2023 £	2023 £	2023 £	2022 £
<u>Trading costs</u>				
Operating charity shop	12,846	-	12,846	48,891
Staff costs	11,719	-	11,719	19,067
	<u>24,565</u>	<u>-</u>	<u>24,565</u>	<u>67,958</u>
<u>Investment management</u>				
Investment management fees	15,050	-	15,050	16,071
Rental property costs	3,607	-	3,607	4,607
	<u>18,657</u>	<u>-</u>	<u>18,657</u>	<u>20,678</u>
	<u>43,222</u>	<u>-</u>	<u>43,222</u>	<u>88,636</u>

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 9 Charitable activities

	2023 £	2022 £
Staff costs	1,886,481	1,759,823
Depreciation and impairment	85,624	86,891
Provisions	95,829	85,576
Hygiene and surgical supplies	13,250	15,641
Rates and water	30,838	15,837
Fuel and light	65,359	57,589
Insurance	30,287	25,792
Telephone	2,033	1,896
Cleaning and laundry	27,903	20,806
Waste disposal	13,989	13,498
Equipment maintenance	29,007	23,134
Property maintenance	19,352	11,908
Garden maintenance	330	725
Repairs and renewals - general DIY	42,621	48,996
Residents' welfare and entertainment	1,372	3,058
TV licence fees and sundries	3,127	859
Recruitment and training costs	18,154	12,485
Staff overalls and expenses	16,066	19,032
Motor expenses	3,404	4,899
Registration fees	9,247	9,801
Office costs	43,502	29,724
Bank charges	2,053	2,126
Payroll fees	5,073	4,745
Legal and professional fees	360	2,874
Accountancy and audit fees	7,477	7,020
	<u>2,452,738</u>	<u>2,264,735</u>
<b>Analysis by fund</b>		
Unrestricted funds	2,446,395	
Restricted funds	6,343	
	<u>2,452,738</u>	
<b>For the year ended 31 March 2022</b>		
Unrestricted funds		2,161,458
Restricted funds		103,277
		<u>2,264,735</u>

### 10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. One trustee was reimbursed travelling expenses to a value of £198 (2022- None were reimbursed £Nil).

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 11 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2023 £	2022 £
Audit of the annual accounts	6,000	5,700
<b>Non-audit services</b>		
All other non-audit services	1,440	1,260

### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Residential care	78	71
Management and administration	3	3
Charity shop	1	3
	82	74

#### Employment costs

	2023 £	2022 £
Wages and salaries	1,706,581	1,616,582
Social security costs	132,530	103,361
Other pension costs	59,089	56,735
	1,898,200	1,776,678

The full time equivalent staff number is 68 (2022 - 65).

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£60,000 to £69,999	1	1

Contributions totalling £10,640 (2022: £10,440) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 13 Other

	2023	2022
	£	£
Net loss on disposal of tangible fixed assets	4,321	-
Interest on PAYE	-	588
	<u>4,321</u>	<u>588</u>

### 14 Net gains/(losses) on investments

	Unrestricted funds	Total
	2023	2022
	£	£
Revaluation of investments	(248,630)	(7,595)
Gain/(loss) on sale of investments	153,541	28,837
	<u>(95,089)</u>	<u>21,242</u>

### 15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 16 Tangible fixed assets

	Land and buildings	Fixtures, Motor vehicles fittings & equipment		Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	2,768,709	376,830	32,414	3,177,953
Additions	19,600	15,311	18,489	53,400
Disposals	-	(11,628)	(2,495)	(14,123)
At 31 March 2023	2,788,309	380,513	48,408	3,217,230
<b>Depreciation and impairment</b>				
At 1 April 2022	907,350	291,513	32,040	1,230,903
Depreciation charged in the year	55,474	29,625	525	85,624
Eliminated in respect of disposals	-	(7,151)	(2,121)	(9,272)
At 31 March 2023	962,824	313,987	30,444	1,307,255
<b>Carrying amount</b>				
At 31 March 2023	1,825,485	66,526	17,964	1,909,975
At 31 March 2022	1,861,359	85,317	374	1,947,050

### 17 Fixed asset investments

	2023 £	2022 £
Investments	1,883,860	1,971,095

#### Movements in fixed asset investments

	Shares £
<b>Cost or valuation</b>	
At 31 March 2023	1,971,095
Additions	2,039,248
Valuation changes	(248,630)
Disposals	(1,877,853)
At 31 March 2023	1,883,860
<b>Carrying amount</b>	
At 31 March 2023	1,883,860
At 31 March 2022	1,971,095

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 18 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	9,167	586
Other debtors	-	940
Prepayments and accrued income	90,689	79,120
	<u>99,856</u>	<u>80,646</u>

### 19 Stocks

	2023 £	2022 £
Stock	<u>6,725</u>	<u>7,093</u>

### 20 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	29,662	27,981
Payments received on account	41,834	38,210
Trade creditors	19,711	11,661
Other creditors	37,377	67,453
Accruals and deferred income	30,701	25,883
	<u>159,285</u>	<u>171,188</u>

### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Resources expended £	Balance at 31 March 2023 £
COVID-19 support grants	-	112,475	(101,661)	(592)	10,222	(4,697)	5,525
Morrisons garden grant	1,115	-	-	-	1,115	-	1,115
Restricted fixed assets	9,792	-	(1,616)	592	8,768	(1,646)	7,122
	<u>10,907</u>	<u>112,475</u>	<u>(103,277)</u>	<u>-</u>	<u>20,105</u>	<u>(6,343)</u>	<u>13,762</u>

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:					
Tangible assets	1,902,853	7,122	1,909,975	1,938,282	1,947,050
Investments	1,883,860	-	1,883,860	1,971,095	1,971,095
Current assets/(liabilities)	317,518	6,640	324,158	297,111	308,448
	<u>4,104,231</u>	<u>13,762</u>	<u>4,117,993</u>	<u>20,105</u>	<u>4,226,593</u>

### 23 Unrestricted funds

The income funds of the charity include the following allocations which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2022 £	Increase £	Movement in funds Decrease £	Transfers £	Revaluations, gains and losses £	Balance at 31 March 2023 £
General	374,034	2,486,770	(2,493,938)	28,020	-	394,886
Security	1,971,095	-	-	7,854	(95,089)	1,883,860
Property	1,861,359	-	-	(35,874)	-	1,825,485
	<u>4,206,488</u>	<u>2,486,770</u>	<u>(2,493,938)</u>	<u>-</u>	<u>(95,089)</u>	<u>4,104,231</u>

The charity view the funds held in investments as 'security' funds, these are to ensure that the charity can continue to operate for the foreseeable future. This reserve contains a minimum of one year's operating costs.

The net book value of the property is shown separately as 'property' funds, on the basis that these funds are not readily available to the charity.

The general fund is the balance of 'free' reserves.

# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 24 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Between two and five years	<u>11,519</u>	<u>16,121</u>

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>217,618</u>	<u>217,231</u>



# CROFT CARE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

26	Cash generated from operations	2023 £	2022 £
	Deficit for the year	(108,600)	(5,675)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(33,154)	(24,919)
	Loss on disposal of tangible fixed assets	4,321	-
	Gain on disposal of investments	(153,541)	(28,837)
	Fair value gains and losses on investments	248,630	7,595
	Depreciation and impairment of tangible fixed assets	85,624	86,891
	Movements in working capital:		
	Decrease in stocks	368	4,472
	(Increase)/decrease in debtors	(19,210)	1,455
	(Decrease)/increase in creditors	(11,903)	68,660
	<b>Cash generated from operations</b>	<b>12,535</b>	<b>109,642</b>
27	<b>Analysis of changes in net funds</b>		
	The Charity had no debt during the year.		