

**British  
Home and  
Hospital for  
Incurables**

**Report and Financial Statements  
for the year to**

31 March 2020

Charity Registration Number  
206222

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## Reference and administrative details

<b>Patron</b>	Her Royal Highness Princess Alexandra
<b>Honorary President</b>	Professor, The Lord McColl of Dulwich
<b>Chair</b>	Mrs Kay Sonneborn BA
<b>Deputy Chair</b>	Mr David Green MA (Cantab)
<b>Board of Trustees</b>	Mrs Patricia Collinson, Dip NUR, RNT Mr Kenneth Dunn MA, DipMS Ms Alison Hughes RN, MHSM Mrs Rowenna Hughes GradDip MCSP, SRP Mr James Mill TD, CA Mr Derek Prentice Ms Eleanor Brown (retired from the Board in September 2019) Mr Dennis Vine FRICS (retired from the Board in September 2019) Ms Rebecca Sycamore Ms Jane Fisher
<b>Chief Executive Officer to the Board</b>	Mr Paul Perkin
<b>Director of Care and Development</b>	Mr Keith Crowhurst RN
<b>Director of Finance and Resources</b>	Mrs. Natasha Charles-Lewis
<b>Address</b>	Crown Lane Streatham London SW16 3JB
<b>Website</b>	<a href="http://www.britishhome.org.uk">www.britishhome.org.uk</a>
<b>Charity registration number</b>	206222

## Reference and administrative details

<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Investment advisors</b>	CCLA Investment Management Limited 80 Cheapside London EC2V 6DZ
	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London, EC4M 8BU
<b>Bankers</b>	Barclays Bank plc Clapham Common Group PO Box 4038 London, SW12 9YB
<b>Legal advisers</b>	Hempsons 40 Villiers Street London, WC2N 6NJ
<b>Property advisers</b>	Avison Young 65 Gresham Street London EC2V 7NQ

The Board of Trustees ('the Board') presents the statutory report and financial statements of British Home and Hospital for Incurables ('British Home') for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 28 and comply with British Home's Charter of Incorporation and Regulations, the Charities Act 2011 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).

### **A Note from our Chair**

The last month of our year was extremely difficult and stressful as it was throughout most of the world. Our Residents had to adapt to an existence never experienced before. Relatives and Carers visits were restricted which had a significant impact on the Residents well-being and social interactions. Carers were now wearing more protective clothing and as masks were compulsory, communication with residents was that much more difficult. In turn, for our staff this has been extremely difficult and for their families. Wearing full personal protective equipment is hard, the emotional aspect is also consuming, and we remain conscious of staff needs. Some staff were furloughed due to underlying health issues which prevented them from working and those furloughed were also given financial support from the charity. Agency staff were brought in and we believed it essential for Residents and Staff to work with Agency staff who only worked in the British Home versus also working in other Homes.

Our staff have Excelled. Their dedication devotion and professionalism to our Residents has surpassed any expectation. Throughout this pandemic, our staff have been greatly supported by British Home's Management Team without whom this would have been a difficult and challenging time and who were conscious of their responsibility to Residents, to staff, to the Charity and to the Trustees. Their leadership was exemplary.

Thank you to you All.

I must also thank the Volunteers, Relatives and Friends for their understanding and patience during this unprecedented time.

This has also been a challenging time financially specifically in ensuring that our staff remained equipped with the resources they need to manage the risk of infection. The cost to the Charity's reserves in upholding this commitment, along with that of maintaining a full workforce has exceeded £0.5M. Only a fraction of this cost has been reimbursed to the Charity which has had a significant impact on our future plans to enhance the residents' and staff experience, and the remodelling of British Home will now take longer to complete. As with so many other charities, British Home has also seen a decline in charity giving. Fortunately, our remaining reserves continue to be managed prudently, which will ensure that we can continue to provide vital care and support to our residents, despite the impact of the pandemic. However, our costs for caring are now much higher and it is imperative Commissioners And Government recognise this so that we can continue to provide support , achieve our strategic aims and provide even more effective and tailored rehabilitation and support for future generations of people living with neuro-disability.

**The Charity Board of Trustees is**



***Chair: Kay Sonneborn***

Kay was an investment analyst for a US investment bank for many years. She has been involved with the charity and health sector for over 30 years and has held senior non-executive roles in the NHS. Kay was Chair for ten years of the largest Primary Care Trust in London.



***Deputy Chair: David Green***

David worked in Merchant banking before a long involvement with the charitable sector in London, firstly as Finance Director of the London Voluntary Service Council and subsequently as Chief Executive for the Cripplegate Foundation and the St Luke's Parochial Trust, allocating millions of pounds in grants to projects in Islington.



***Patricia Collinson***

Patricia has spent her career in nursing and nurse education with experience of both the NHS and Government work. Her last post before retirement was Nurse Director for the Medical Devices Agency, Department of Health. Since then she has worked as an Expert Nurse Witness and as an Editorial Consultant. She has been a Trustee of the Crossroads Caring for Carers Association.



***Kenneth Dunn***

Kenneth Dunn joined the Board of Trustees in December 2014. Kenneth has some 30 years of social care experience. He has a broad knowledge of the care industry and government policies and procedures regulating care.

**Composition of the Board of Trustees** (continued)



***Alison Hughes***

A nurse and midwife with 36 years' experience, Alison trained at University College Hospital before moving to Oxford and then Australia to practice. She spent four years overseas before joining the cardiac unit at St George's Hospital Tooting, moving from Sister to Head of Nursing and finally Divisional Director of Nursing and Governance. Alison retired from the NHS in 2015 and currently works part time on a consultancy basis.



***Rowenna Hughes***

Rowenna trained as a physiotherapist at Guy's Hospital and went on to specialise in working with disability. For thirty years she managed a team of physiotherapists at King's College Hospital working with young adults and children with disabilities and then served as Staff Governor on the Council for Governors at KCH NHS Foundation Trust. Rowenna is Chair of the Friends of KCH. She was awarded an MBE in 2012 for her work in the field of disability.



***James Mill***

James worked in oil and gas exploration for much of his career, operating in Libya, Pakistan and Canada amongst other places. For the last ten years of his working life he was Finance Director of the Royal Star & Garter Home, a 180-bed nursing home and military charity in Richmond, and consequently has extensive experience of the challenges facing charities like British Home.



***Derek Prentice***

Derek spent the majority of his career in consumer affairs, spending over twenty years with Consumers' Association (Which?) and serving as the President of the European Consumers Organisation BEUC. Derek is a Council Member and Trustee of the Royal College of Emergency Medicine and Chairs its Lay Group. Derek has been the Vice Chair of the Lay Group of the Academy of Royal Medical Colleges, the Chair and Lay Member of the General Dental Council and a Trustee of King's College Hospital.

**Composition of the Board of Trustees** (continued)



**Rebecca Sycamore**

Rebecca has considerable experience of Director level posts within large charities. She is currently Executive Director of Development at the homelessness charity and Housing Association, St Mungo's where she has responsibility for fundraising, communications and marketing, business development and strategic asset management. She has also been a specialist social worker, helping homeless people experiencing mental health problems for the London Borough of Ealing, as well as holding positions with Crisis and Homeless Link



**Jane Fisher**

Jane has worked in the NHS for over thirty years, starting as a nurse with a special interest in trauma. After twenty years on the front line, she moved into NHS management and now manages the North West London Renal and Transplant Service (the largest such unit in Europe). Jane is passionate about healthcare and has a strong commitment to delivering equality and diversity.

Within the last year, Mr Dennis Vine and Ms Eleanor Brown both resigned from the Board. Over her tenure Ms Brown had supported the Board and its' Executive in developing British Home's End of Life support offer, supporting the Executive and staff towards achieving the Charity's Gold Standard in Palliative Care. The Board would like to pay special tribute to Mr Vine for his significant contribution to the Charity over his 32 years on the Board. Mr Vine was instrumental in the development of a new wing of British Home during the 1990's. Mr Vine's knowledge and expertise will continue to benefit the British Home as it embarks on an ambitious plan to refurbish and repurpose its building to provide a centre of excellence for neuro-disability rehabilitation.

**Board Responsibilities Statement**

The charity's trustees are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom generally accepted accounting practice. Charity law requires the Board, as trustees, to prepare financial statements which give a true and fair view of the financial activities of British Home during the year and its financial position at the end of the year. In preparing the attached financial statements, the Board is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;



**Board Responsibilities Statement** (continued)

- ◆ state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that British Home will continue to operate.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of British Home and which enable it to ensure that the financial statements comply with the Charities Act 2011. The Board is also responsible for stewarding the assets of British Home and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

**Structure, governance and management**

British Home was granted a Royal Charter on 1 November 1899. It is governed by a Charter of Incorporation and Regulations (revised 8 January 2009) and is a registered Charity (No. 206222). Responsibility for British Home rests with the Board who are the trustees of the charity for the purposes of charity legislation.

British Home is regulated by the Charity Commission, by the Care Quality Commission (CQC) and, as a Royal Charter Company, by the Privy Council.

The Board met five times in the year to 31 March 2020 and more informally on a number of occasions to discuss British Home's future strategy. At 31 March 2020 the Board comprised 10 members who held office throughout the year.

No member of the Board received any remuneration for services as a member of the Board.

**Board Committee Structure**

The Board continues to review its governance committee structure annually, to ensure that it remains fit for purpose and responsive to emerging, strategic opportunities and risks. At its meeting in May 2020 the Board completed a formal review of its governance structure including the terms of reference for each of its sub-committees including **Care Governance**.

**Care Governance Committee**

The Care Governance Committee provides assurance to the Board by having Trustees with relevant health and social care experience to review the provision of care in the Home and to offer support and guidance to the Director of Care in this regard. The Care Governance Committee maintains oversight of British Home's clinical practice and care provision including quality assurance and regulatory compliance. At its meeting in July 2020 the Care Governance Committee reviewed the British Home's key performance indicators, to ensure that these remain current, particularly in response to managing those risks related to Covid - 19.

## **Structure, governance and management** (continued)

### ***Finance Committee***

The Finance Committee has delegated responsibility from the Board to oversee all financial aspects of the Charity's operations including the Charity's investment strategy and appointment of its Investment Managers. The Finance Committee also has responsibility for British Home's human resources, building and maintenance services, as well as the development of the Charity's IT and digital strategy. The Finance Committee continues to set annual targets to reduce the current deficit and achieve an annual operational surplus. The Board retains overall responsibility and authority for all financial matters regarding British Home's finances and investments.

### ***The Refurbishment Oversight Committee***

In December 2016, the Board established a fully constituted Development Committee to take responsibility for the first stage of a redevelopment programme. This included selecting a preferred development partner and concluding the negotiations and planning application on a development agreement to build a new state-of-the-art care facility on the existing site of British Home. In July 2019, the Development Committee formally paused its negotiations with a preferred developer.

The Board agreed at its meeting in December 2019 to preserve and re-purpose the charity's buildings in line with its aspirations to provide a more modern environment and enhanced facilities for its current and future residents. This will involve a large refurbishment of the existing site and retention of all the original architectural features of the Victorian building. The Board agreed the terms of reference for a new Refurbishment Oversight Committee, which, with the support of its advisors, will oversee the design and completion of an ambitious refurbishment of British Home.

### ***Remuneration and Nomination Committee***

Following the governance review in January 2018, the Board determined that a Nominations and Review Committee should be re-constituted to review the balance and effectiveness of the Board, including the appointment of new Trustees to the Board. The Remuneration and Nominations Committee is also responsible for the appointment and remuneration of the executive management team of the Charity. The Remuneration and Nominations Committee approved the appointment of Ms Jane Fisher to the Board in September.

### ***Trustee recruitment, induction and training***

The Board from time to time reviews the mix of skills and experience of its members and seeks new trustees where particular skill gaps are identified. New trustees are offered an individually tailored induction programme to familiarise themselves with all aspects of the charity's work, legal and statutory responsibilities including all relevant regulatory requirements determined by the Charity Commission. At its last Annual General Meeting, the Board agreed to transition membership of the Board to two fixed terms of four years' service. The transition to fixed terms will occur on a rotational basis as to ensure that the requisite skills and experience of the Board is maintained while new Trustees are elected.

The Board is regularly updated on all key operational and clinical developments within the Home and each Trustee participates in the monthly Board visitor programme where they can hear first-hand from residents, staff and families about the quality of service being provided.

**Structure, governance and management** (continued)

***Management of British Home***

The key management personnel of British Home, responsible for directing and controlling the operations of the charity comprises the Board of trustees, the Chief Executive Officer, the Director of Care and Development and the Director of Finance and Resources.

**Mr Paul Perkin** (BA Hons) is the Chief Executive Officer of British Home. Paul took up this post in April 2017. Paul has over twenty years' experience within the social care and housing sector. Paul holds a BA Hons degree in Urban Policy Studies from Lancaster University and has a long track record of campaigning and advocating on the behalf of society's most vulnerable people. Paul is also a Trustee of the London homeless charity Evolve Housing and Support.

**Mr Keith Crowhurst RN (MSc)** is the Director of Care and Development. Keith took up this role with effect from May 2017 to support British Home in its ambition to deliver new innovation and models of care for people with neurological conditions. Keith was previously the Home Manager. Keith is a registered nurse and an experienced care home manager with qualifications in the leadership and management of care services. Keith holds an MSc. from University College London and has written and lectured on care matters. The Director of Care is supported by a Registered Manager and three Clinical Leads to maintain our high standard of nursing care and rehabilitation services.

**Mrs Natasha Charles-Lewis ACMA (MSc)** is the Director of Finance and Resources at British Home. Natasha took up this role in September 2019. Natasha has over sixteen years' finance experience within the healthcare and charitable sector. Natasha is an associate member of the Chartered Institute of Management Accountant and holds a further degree in strategic business management.

***Our Values***

All at British Home are committed to upholding our organisational values which have been developed in collaboration with our residents, staff and other stakeholders and partners. These values inform every aspect of our work, including the care we provide to residents and the way we support our staff to carry out their important roles.

**Our Values determine that we:**

- ◆ put the individual at the heart of their care.
- ◆ understand that every individual will have their own targets and motivations, and that rehabilitation is a process that people take at their own pace.
- ◆ recognise the advantages that our diversity provides, we will harness the talent and energy of everyone at British Home: staff, volunteers, residents, families and carers.
- ◆ will always act with integrity, openness and honesty.
- ◆ are committed to the highest standards and will embrace innovation and models of best practice.

### **Aims Objectives and Strategy**

British Home provides specialist nursing care, rehabilitation and social support to adults with a neuro-disability. This will typically include people living with severe impairment often as a result of brain injury, stroke or through a degenerative illness. We work with each of our residents to tailor a holistic and bespoke package of care and support, enabling them to live as full and independent lives as possible. British Home also provides end of life care for disabled people, ensuring that dignity, comfort and choice remain at the heart of all that we do.

British Home is registered to look after a maximum of 127 residents; however, in 2013 the Board agreed to decommission 49 beds to achieve a more optimum operational capacity of 78 beds, and to ensure that all available accommodation continues to meet our aspirational standards. A further three respite beds were re-commissioned due to an increased demand for this provision in the last year. Average occupancy over the year on this basis was 99% or 80 residents (2019 – 97% or 76 residents).

In June of this year the Board agreed a 5-year strategy, with a central aim to build upon its experience and become a specialist provider of neuro-disability rehabilitation. Over the next five years we will continue to invest our charitable income in developing a centre of excellence of specialist rehabilitation, in line with The British Society of Rehabilitation Medicine (BSRM) Standards. In doing so, we will enable more people to manage their disability and illness more effectively, with an emphasis on increased independence, pain relief and greater enjoyment of life (including those approaching end of life). In line with this new strategy, British Home will continue to raise charitable income to refurbish our current building into a more modern aesthetic and introduce new facilities to enable rehabilitation. We will develop a therapeutic environment, making use of the existing features of the whole site not just the building, using technology to facilitate this. We provide a wider range of accommodation for our residents, including specially adapted, self-contained accommodation to promote independent living,

### **COVID-19**

Following the advent of the recent pandemic, British Home implemented its business continuity plan to protect its most vulnerable residents from the virus. This was against a backdrop of a national shortage of Personal Protective Equipment and a reduced workforce, as symptomatic and vulnerable staff were required to self-isolate. Despite these challenges, our staff have continued to carry out their duties with great courage and resilience. We have also been greatly encouraged by the support and generosity of many partner organisations and members of our local community during these unprecedented times. The additional financial costs resulting from the virus have been significant. Within the first three months of the pandemic, British Home expended an additional £0.5M to maintain optimum staffing levels within the Home, as well as to purchase protective equipment and other urgent supplies. We are grateful to all of our charitable donors, whose support has meant that we can continue to provide care and support to all of our residents throughout the pandemic.

In setting the charity's objectives the trustees have given careful consideration to the Charity Commission's guidance on public benefit. The Board believes that British Home continues to meet the Charity Commission's public benefit test principally in that the majority of residents in British Home have for many years benefited from the availability of statutory funding. The charity subsidises the running cost of British Home and provides a range of additional rehabilitation and social support to residents from its own charitable funds.

**Aims Objectives and Strategy** (continued)

***Personalised Support***

At British Home, we recognise that each resident is an individual and that they and their families will often provide the greatest insight into how our staff can best meet their care needs. New residents arriving at British Home are assessed by a multi-disciplinary team comprising of clinical staff and therapists to ensure that all resident needs are provided for and in particular, that they receive the appropriate service offer commensurate with their individual needs. Wherever possible we aim to work with residents and their families to develop personalised care plans, ensuring that they direct and control the care they receive. Over the next year we will continue to train and develop all our nursing and care staff in rehabilitation support, which will ensure greater integration of each resident's individual therapy and treatment plans across all aspects of their daily care, where relevant. We continue to work with residents receiving palliative care to develop a personal end of life care plans. Last year 100% of residents had an agreed end of life plan in line with their personal wishes.

***End of Life Care Gold Standard Framework***

In January 2020, British Home underwent re-accreditation with the Gold Standard Framework for its End of Life Care. Trustees were delighted that the Charity was awarded the Platinum Care Hallmark in recognition of its high quality and person centred, End of Life support. British Home's End of Life Care is delivered through a multi-disciplinary team that brings together nurses, therapists and other professionals involved in a resident's care under the direction of our Director of Care and Home Manager. All residents for whom it is appropriate are supported to develop an End of Life Care Plan, to direct the support and care they receive from British Home.

***Risk management***

The Board regularly reviews the potential major risks to the charity and undertakes a formal risk audit each year to identify any additional risks that the charity may be exposed to and to ensure that adequate control measures are in place to mitigate identified risks. To protect the assets of the charity, British Home maintains a comprehensive suite of insurance policies.

The Board consider the 'failure to reduce its operational deficit' as its key strategic and operational risk, given that this would have a detrimental impact on the future sustainability of the Charity and the well-being of its residents. The new 5-year strategy will see British Home transition from a traditional nursing care model to that of a specialist provider of neuro-disability nursing care and rehabilitative support. This will ensure that care fees are more commensurate with residents' support needs and that the Charity is not required to subsidise the costs for those residents who do not require the level of specialist nursing and support provided within the Home.

Given the unique challenges posed by the recent COVID -19 pandemic, it has been necessary to revise the Charity's business continuity plan to ensure the well-being and safety of all who live and work at British Home. It is expected that COVID-19 will continue to effect life at British Home for some time to come. A primary focus of the Board's risk management plan will be to ensure that those measures intended to manage infection control are effective and in line with the most recent advice and guidance available.

**Aims Objectives and Strategy** (continued)

***Volunteers***

Volunteers at British Home make a positive difference to the lives of residents at British Home through their involvement in a wide range of activities as well as their ongoing running of the British Home shop. Sessions for residents in the art room and garden were led by volunteers throughout 2019/20 providing practical and rewarding positive engagement.

We also welcomed volunteers from the PRS for Music Foundation who performed an in-house concert for residents and guests, as well as supporting other events in support of fundraising. Several local schools including Trinity and Crown Lane volunteered for concerts throughout the year, and we also received volunteer support at events from local Scouts and Metropolitan Police cadets.

This year also saw the development of our relationship with Streatham Common based charity, The Rookery. We hosted several flower arranging lessons before staff and residents from British Home visited the Rookery to work on a new sensory space there for people living with neuro-disability. As part of British Home's new strategy, a new post of Volunteer Co-ordinator has been created to grow our body of volunteers to support residents with their rehabilitation and associated activities.

British Home places significant value in the views and contributions of its community of resident's families and carers. The Charity offers a variety of ways for families and carers to have their say on how care and support is delivered at British Home, recognising their role as advocates and experts in how their loved ones are cared for. Over the last year, families and carer's views were heard through a number of different forums including quarterly families and carer's meetings, strategy consultation and the annual family and carer surveys.

***Activities and social interaction***

British Home continues to provide a range of stimulating activities for all of our residents both in the Home and also within the wider community. The Home uses charitable funding to employ a team of Activities Co-ordinators to work with our residents to design and facilitate a weekly programme of social activities and entertainment. Examples of activities provided include theatre trips, accessible sports events, reflexology and massage, cinema clubs and musical entertainment.

The activities within the Home are provided for both groups and individual residents and there are also specific activities for residents who are otherwise confined to their accommodation as a result of their disability. The management team regularly monitor the uptake of activities to ensure there is parity of access and interest across all residents within the Home.

***Fundraising***

The shortfall in our operating income, as noted earlier, is made up in part from generous donations and legacies bequeathed to the Home. The Board is very grateful to the many individuals and organisations who are loyal supporters of British Home including those who generously remember the Home in their wills.

**Aims Objectives and Strategy** (continued)

**Fundraising** (continued)

As a charity registered with the Fundraising Regulator, we are committed to ensuring our fundraising is legal, open, honest and respectful. British Home did not actively pursue donations from individuals and the general public and did not use the services of a professional fundraiser. No complaints were received in relation to how the charity conducted its fundraising activity.

**Our Royal Patron**

Her Royal Highness Princess Alexandra has been a patron of the Home since 2002 and has continued to support the Charity's work and continued development since that time. Trustees and staff of British Home are very grateful for the ongoing support they receive from Her Royal Highness.

**Financial review**

**Performance in the year**

The operating deficit for the period was £2,327,398 (2019 - £1,925,385) as shown in the table below:

	2020 £	2019 £
Fees	4,178,361	3,984,889
Less: Expenditure	(6,505,759)	(5,910,274)
<b>Operating deficit</b>	<b>(2,327,398)</b>	<b>(1,925,385)</b>
Donations	93,625	105,768
Investment income	486,112	502,362
Other Income	67,198	—
<b>Deficit before legacies</b>	<b>(1,680,463)</b>	<b>(1,317,255)</b>
Legacies	20,894	729,778
<b>Net expenditure for the period before investment gains and losses</b>	<b>(1,659,569)</b>	<b>(587,477)</b>

a) *Fees*

Income from fees charged increased by 5% to £4,178,361 (2019 - £3,984,889). The increase in average occupancy was augmented by higher fees generated in respect of new admissions with a greater emphasis on one to one care. As in recent years a very low level of fee increase was awarded and only by a small number of funders putting continued pressure on the charity's resources.

b) *Expenditure*

Expenditure in 2020 increased by 10% to £6,505,759 (2019 - £5,910,274).

Within this total, staffing costs amounted to £3,789,521 (2019 - £3,545,156) an increase of £244,365. The Board and senior management team continued the investment in provision of care and therapies for residents and have embarked on a new strategy which offers care packages tailored to each resident's needs. British Home staff are the heart of our organisation, whenever possible the Board endeavours to provide a real increase in pay and ensures that staff are paid in line with industry standards.

**Financial review** (continued)

***Performance in the year*** (continued)

b) *Expenditure* (continued)

The governance costs of the charity amounted to £82,972 (2019 - £142,942) which includes legal and other professional fees largely relating to the Board's work to ascertain the redevelopment potential of the Crown Lane site.

c) *Fundraising and publicity*

Costs, with allocated support costs, totalled £144,574 (2019 - £149,266). This included costs for the external marketing British Home to continue raising awareness of British Home and its work, to support its fundraising endeavours.

Donations decreased within the last year to £93,625 (2019 - £105,768). The great support of individual donors and charitable trusts, a number of whom have been loyal supporters of British Home for many years is valued. The Board equally values every contribution regardless of size and is particularly grateful for the dedication of local groups and individuals in helping to fundraise.

Income from legacies decreased within the last year to £20,894 (2019 - £729,778). In line with the legacy income recognition policy, whereby a future legacy receipt is recognised as income provided probate has been granted and eventual receipt is probable, £Nil (2019 - £588,025) has been recognised as income ahead of receipt in cash. Historically the legacy income of British Home has fluctuated and is unpredictable from year to year.

In terms of publicity, the Board's focus is in particular to ensure local community awareness of the work of the charity. The charity particularly in collaboration with the Streatham Festival, local clubs and individuals continues to hold ambitious events which make best use of our grounds and buildings and allows us to engender awareness and support for our future plans.

***Pension Liabilities***

The charity previously operated a final salary pension scheme which closed to new members as of 31 March 2014.

The Board engaged KPMG to advise it as to whether measures could be taken to potentially mitigate the liabilities of the scheme and whether securing member' benefits under the scheme through an insurance company buy-out might be an affordable option for British Home. The Board considered that removing at an affordable cost the risk to its reserves represented by an open-ended obligation to fund any future deficits in the scheme would be in the best interests of the charity as a whole.

In February 2018 the trustees decided to withdraw from the scheme and a total liability of approximately £1,788,000 crystallised. This quote also included costs for legal and actuarial fees associated with the buy-out, as well as provision for any unforeseen costs arising from a final data cleansing exercise of the scheme, which will be jointly conducted by Aviva and the scheme's actuary.



**Financial review** (continued)

***Pension Liabilities*** (continued)

The trustees paid over the sum of £1,010,000 on 3 March 2018. There remains a provision in the accounts at the reporting date of £778,000. The data cleansing exercise was still in progress at the reporting date and the provision remains unchanged.

The Board are pleased to have secured a buy-out of the closed defined benefit scheme with an established and reputable insurer such as AVIVA. This will ensure greater security in the longer-term for the members of this pension scheme, while removing a significant liability from the charity's balance sheet.

The replacement to the now closed final salary scheme is a defined contribution Group Personal Pension Plan provided through Royal London. Under this arrangement British Home contributes 10% of pensionable salary while employees contribute 5%. Employees who have not elected to join the GPPP are, if eligible, subject to auto-enrolment at contribution rates set as part of the Government's pension membership initiative.

***The Home's Net Assets***

The net assets of British Home at 31 March 2020 were £12,966,656 (2019 - £14,763,220). Of these £439,014 (2019 - £384,590) related to fixed assets which were comprised mostly of freehold buildings, which are wholly used for charitable purposes and are represented by a specific designated fund. Fixed asset purchases and disposals during the year are shown in the notes to the financial statements. The net assets also included £12,477 of endowment funds not expendable by the charity. After allowing for further designated funds as described below the general unrestricted funds of the charity at 31 March 2020 were £4,615,165.

***Reserves policy and financial position***

In determining the level of reserves necessary to continue the work of British Home, the Board balances its long-term obligations and risks with the needs of current beneficiaries. Where there is a capital commitment, a need to generate income for a specific purpose, or a need to ring-fence funds for the future stability of the charity, the Board has established designated funds. COVID- 19 has impacted the charity's reserves significantly during 2019/20 and into the next financial year and highlighted the need to retain an appropriate level of free reserves in order to respond to unforeseen events and to protect the wellbeing of the charity's beneficiaries.

***Designated reserves***

At the end of the financial year 2019/20 the British Home held £12,985,863 in investments which were otherwise unrestricted and free reserves. These funds remained undesignated throughout that year given that the Board were awaiting the outcome of a development agreement, which would require the designation of a significant amount of the reserves to subsidise the cost of building a new care facility. The negotiations surrounding the development came to an end in January 2020 and the Board has made the following designations:

**Financial review** (continued)

***Designated reserves*** (continued)

**Continuity of Care Fund:** The Board of Trustees is conscious of its long-term obligation to the residents in its care, their sponsors and their carers and to balance the needs of current residents with those of the future. The Board believes that the equivalent of 12 months anticipated costs is required to meet its obligations to provide essential services for all parties in the event of a critical incident. The Board has therefore designated £5.9M of its reserves to this fund, to provide for one year's running costs.

**Major and Cyclical Maintenance Fund:** The British Home operates from an old, Victorian building which is both expensive to maintain and will also occasionally require costly unplanned repairs. Trustees have therefore created a fund to meet the costs of major and cyclical maintenance when the need arises. The Board has therefore designated £2M of its reserves to this fund, in the event that major repairs are required to the buildings infrastructure.

***Investment policy and performance***

The Home's investment portfolio is spread between direct holdings in the COIF Charity Investment and Fixed Income Funds and the Sarasin Consolidated Alpha Fund for Endowments. The performance of these funds is periodically reviewed by the Board. The Board's objectives are to maximise total return at an acceptable level of risk so as to supplement the Home's income.

The market value of the portfolio at 31 March 2020 was £12,985,863 (2019 - £14,714,903). The value of the Home's investments rise and fall in line with the economic environment and investment market sentiment. The COVID-19 pandemic brought uncertainty to the investment market and resulted in an overall loss in the listed investment portfolio of £430k, as at 31 March 2020. However, due to government's stimuli across the globe to tackle the pandemic the market has begun to recover post year end. There is no guarantee that the Home's investments will realise the value as shown in the balance sheet.

Investment income, produced from our investments, amounted to £486,112 (2019 - £502,362). There were net unrealised investment losses of £136,995 for the year (2019 - £791,979 gain) reflecting the change in market value of investments since 31 March 2019.

**Auditor**

Buzzacott LLP, the Home's auditors have indicated their willingness to remain in office for a further year.

**Thanks, and acknowledgements**

The Board continues to be highly appreciative of the support for the Home shown by commissioners of social care. British Home as an independent charity well understands the cost pressures associated with the provision of social care and hopes that the Board and Commissioners can work together to ensure the ongoing provision of first class, affordable care at Crown Lane long into the future.

**Thanks, and acknowledgements** (continued)

The success of British Home as a charity is down to the combined efforts of many individuals and organisations. However, one group clearly stand out as being the bedrock on which the charity stands, and that group is its dedicated and caring staff. The Board would like to say ‘thank you’ to every member of our staff who ‘day in, day out’ do a wonderful job in supporting, caring and enriching the lives of the residents of British Home.

**Honorary President**

The Board would like to thank the Home’s Honorary President Professor, the Lord McColl of Dulwich CBE, for lending his support to the Home.

**Royal Patronage**

The Board wishes to express its gratitude to our Royal Patron, Princess Alexandra, for her continuing support for the Home.

Approved by the Board of Trustees and  
signed on its behalf by:

Mrs Kay Sonneborn BA  
Trustee

Approved on 29 September 2020

**Independent auditor's report to the members of British Home and Hospital for Incurables**

**Opinion**

We have audited the financial statements of British Home and Hospital for Incurables (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charity's affairs as at 31 March 2020 and of 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 Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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; or

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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 charity 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of the Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Avnish Savjani (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

23 November 2020

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Statement of financial activities** Year to 31 March 2020

	Notes	Un- restricted funds £	Restricted funds £	Endow- ment funds £	2020 Total funds £
<b>Income from:</b>					
Donations and legacies	1	114,519	—	—	114,519
Investment income	2	486,112	—	—	486,112
Charitable activities	3	4,178,361	—	—	4,178,361
Other income		67,198	—	—	67,198
<b>Total income</b>		<b>4,846,190</b>	<b>—</b>	<b>—</b>	<b>4,846,190</b>
<b>Expenditure on:</b>					
Raising funds	4	144,574	—	—	144,574
Charitable activities	5	6,361,185	—	—	6,361,185
<b>Total expenditure</b>		<b>6,505,759</b>	<b>—</b>	<b>—</b>	<b>6,505,759</b>
<b>Net (expenditure) for the year before investment losses</b>		<b>(1,659,569)</b>	<b>—</b>	<b>—</b>	<b>(1,659,569)</b>
<b>Losses on investments</b>	11	<b>(136,995)</b>	<b>—</b>	<b>—</b>	<b>(136,995)</b>
<b>Net expenditure</b>		<b>(1,796,564)</b>	<b>—</b>	<b>—</b>	<b>(1,796,564)</b>
<b>Transfer between funds</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net movement in funds</b>		<b>(1,796,564)</b>	<b>—</b>	<b>—</b>	<b>(1,796,564)</b>
<b>Fund balances brought forward at 1 April 2019</b>		<b>14,750,743</b>	<b>—</b>	<b>12,477</b>	<b>14,763,220</b>
<b>Fund balances carried forward at 31 March 2020</b>		<b>12,954,179</b>	<b>—</b>	<b>12,477</b>	<b>12,966,656</b>

All of the Home's activities are derived from continuing operations during the above financial period.

**Comparative statement of financial activities** Year to 31 March 2019

	Notes	Un-restricted funds £	Restricted funds £	Endow-ment funds £	2019 Total funds £
<i>Income from:</i>					
<i>Donations and legacies</i>	1	834,546	1,000	—	835,546
<i>Investment income</i>	2	502,362	—	—	502,362
<i>Charitable activities</i>	3	3,984,889	—	—	3,984,889
<i>Other income</i>		—	—	—	—
<i>Total income</i>		<u>5,321,797</u>	<u>1,000</u>	<u>—</u>	<u>5,322,797</u>
 <i>Expenditure on:</i>					
<i>Raising funds</i>	4	149,266	—	—	149,266
<i>Charitable activities</i>	5	5,761,008	—	—	5,761,008
<i>Total expenditure</i>		<u>5,910,274</u>	<u>—</u>	<u>—</u>	<u>5,910,274</u>
<i>Net (expenditure)/income for the year before investment gains and losses</i>		(588,477)	1,000	—	(587,477)
<i>Gains on investments</i>	11	<u>791,979</u>	<u>—</u>	<u>—</u>	<u>791,979</u>
<i>Net income</i>		203,502	1,000	—	204,502
<i>Transfer between funds</i>		<u>1,000</u>	<u>(1,000)</u>	<u>—</u>	<u>—</u>
<i>Net movement in funds</i>		<u>204,502</u>	<u>—</u>	<u>—</u>	<u>204,502</u>
<i>Fund balances brought forward at 1 April 2018</i>		<u>4,546,241</u>	<u>—</u>	<u>12,477</u>	<u>14,558,718</u>
<i>Fund balances carried forward at 31 March 2019</i>		<u>4,750,743</u>	<u>—</u>	<u>12,477</u>	<u>14,763,220</u>

All of the Home's activities are derived from continuing operations during the above financial period.



## Balance sheet 31 March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible fixed assets	10		<b>439,014</b>		384,591
Investments	11		<b>12,985,863</b>		14,714,903
			<b>13,424,877</b>		15,099,494
<b>Current assets</b>					
Debtors	12	<b>446,226</b>		1,010,379	
Cash at bank		<b>887,950</b>		361,687	
		<b>1,334,176</b>		1,372,066	
<b>Creditors:</b> amounts falling due within one year	13	<b>(1,792,397)</b>		(1,708,340)	
<b>Net current (liabilities) assets</b>			<b>(458,221)</b>		(336,276)
<b>Net assets</b>			<b>12,966,656</b>		14,763,220
<b>The funds of the charity:</b>					
Endowment fund	15		<b>12,477</b>		12,477
Restricted funds	16		—		—
Unrestricted funds					
. Designated funds	17		<b>8,339,014</b>		384,590
. General fund			<b>4,615,165</b>		14,366,153
			<b>12,966,656</b>		14,763,220

Approved by the Board of Trustees on

and signed on its behalf by:

Mrs Kay Sonneborn BA  
Trustee

29 September 2020

Mr David Green MA  
Trustee

7 October 2020

## Statement of cash flows 31 March 2020

	Notes	2020 £	2019 £
<b>Cash inflow from operating activities:</b>			
Net cash used in operating activities	A	<b>(1,350,960)</b>	(1,341,221)
<b>Cash inflow from investing activities</b>			
Dividends and interest from investments:		<b>486,112</b>	502,362
Sale of investments		<b>1,000,000</b>	2,001,411
Purchase of investments		—	(600,000)
Purchase of fixed assets		<b>(200,934)</b>	(24,571)
<b>Net cash provided by investing activities</b>		<b>1,285,178</b>	1,879,202
<b>Change in cash and cash equivalents in the year</b>		<b>(65,782)</b>	537,981
<b>Cash and cash equivalents at 1 April 2019</b>	B	<b>986,791</b>	448,810
<b>Cash and cash equivalents at 31 March 2020</b>	B	<b>921,009</b>	986,791

### Notes to the cash flow statement for the year to 31 March 2020.

A	<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
	2020 £	2019 £	
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(1,796,564)</b>	204,502	
<b>Adjustments for:</b>			
Depreciation charge	<b>146,511</b>	152,469	
Losses (gains) on investments	<b>136,995</b>	(791,979)	
Dividends and interest from investments	<b>(486,112)</b>	(502,362)	
Decrease (increase) in debtors	<b>564,153</b>	(601,140)	
Increase in creditors	<b>84,057</b>	197,289	
<b>Net cash used in operating activities</b>	<b>(1,350,960)</b>	(1,341,221)	
<b>B Analysis of cash and cash equivalents</b>			
	2020 £	2019 £	
Cash at bank and in hand	<b>887,950</b>	361,687	
Cash held by investment managers	<b>33,059</b>	625,104	
<b>Total cash and cash equivalents</b>	<b>921,009</b>	986,791	

## **Principal accounting policies** Year to 31 March 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ legacy recognition.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The full impact on the charity's income and expenditure and financial position following the emergence of the global Covid-19 pandemic is still unknown. The Covid19 pandemic has changed the shape and nature of the world. It has impacted not only the basic nature of social interactions but has also had a significant economic impact at every level in ways which have been outside of our control. The impact of Covid19 on our working practices and finances is set out in the trustees' report on pages 3 and 11 and attention is drawn to them.

**Assessment of going concern** (continued)

Undoubtedly there will be challenges ahead but the trustees do not expect material concerns to arise over the charity's financial position or going concern. The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy section of the trustees' report for more information).

**Income**

Income is recognised in the year in which the Home is entitled to receipt thereof, the amount can be measured reliably, and it is probable that the funds will be received.

Legacies are included in the statement of financial activities when the Home is advised by the personal representative of an estate that payment will be made, or property transferred, and the amount involved can be quantified.

Donations are recognised when the charity has confirmation of both the amount and settlement date.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Fees from medical and nursing services are recognised when the service has been provided.

**Expenditure and the basis of apportioning costs**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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 includes attributable VAT which cannot be recovered.

The majority of costs are directly attributable to specific activities. Support costs are allocated to expenditure on raising funds and charitable activities according to underlying activity levels. These were established using a number of suitable indicators including staff time and floor space.

Expenditure comprises the following:

- a. Expenditure on raising funds includes the salaries, direct costs and support costs associated with generating donated income and the fees paid to investment managers in connection with the management of the Home's listed investments.
- b. Expenditure on charitable activities comprises expenditure on the Home's charitable purposes as described in the report of the Board of Trustees and includes support costs.

## Principal accounting policies Year to 31 March 2020

### Tangible fixed assets

The original land and buildings were acquired in 1894. Between 1898 and 1994 their cost and subsequent additions were not recorded in the balance sheet. For many years the accounting policy for freehold land and buildings recognised that it was not possible to ascertain the cost of land and buildings and until 1 January 1994 the cost of additions were written off as incurred. In 1994 the accounting policy was changed and subsequent expenditure on additions and improvements to buildings have been capitalised. The book value, after depreciation, of land and buildings acquired prior to 1994 is not regarded as material. The New Wing, which opened in 1996, is classified as freehold buildings. The buildings were insured on a replacement basis for £36.0m at 31 March 2020 (at 31 March 2019 – £34.8m).

All assets costing more than £5,000 are capitalised. Depreciation is provided at the following annual rates to write off each asset over its estimated useful life:

◆ Freehold buildings	4% on cost
◆ Water Tank	10% on cost
◆ Hospital and catering equipment	20% on cost
◆ Office furniture and equipment	20% on cost
◆ Transport	20% on cost

### Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are credited (or debited) in the statement of financial activities in the year in which they arise.

### Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Fund accounting**

Endowment Funds comprise monies donated which are not to be expended. Only the income can be used for the charitable objectives of the Home.

Restricted Funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Designated Funds comprise monies set aside out of unrestricted general funds and designated for specific purposes, although the Board of Trustees may ultimately use such funds for other purposes.

The General Fund comprises those monies which are freely available for application towards meeting the charitable objectives of the Home at the discretion of the Board of Trustees.

**Pension costs**

From 1 April 2014, British Home is operating a defined contribution scheme. Contributions are recognised in the statement of financial activities when payable.

## 1 Donations and legacies

	Unrestricted £	Restricted £	2020 £
Donations inclusive of reclaimed tax	93,625	—	<b>93,625</b>
Legacies	20,894	—	<b>20,894</b>
<b>Total 2020</b>	<b>114,519</b>	<b>—</b>	<b>114,519</b>

	Unrestricted £	Restricted £	2019 £
Donations inclusive of reclaimed tax	104,768	1,000	105,768
Legacies	729,778	—	729,778
<b>Total 2019</b>	<b>834,546</b>	<b>1,000</b>	<b>835,546</b>

## 2 Investment income

	Unrestricted funds	
	2020 £	2019 £
Sarasin – CIF ALPHA fund units	<b>240,455</b>	230,265
COIF – Investment fund income units	<b>244,489</b>	270,865
	<b>484,944</b>	501,130
Interest receivable	<b>1,168</b>	1,232
<b>Total 2020</b>	<b>486,112</b>	<b>502,362</b>

## 3 Income from charitable activities

Income from charitable activities comprises fees from medical and nursing services and is unrestricted.

## 4 Expenditure on raising funds

	Unrestricted funds	
	2020 £	2019 £
Advertising and agency fees	<b>360</b>	3,357
Publicity	—	501
Other costs (including staff costs)		
. Direct costs	<b>105,735</b>	106,302
. Support costs	<b>38,479</b>	39,106
	<b>144,574</b>	<b>149,266</b>

**5 Expenditure on charitable activities**

	Unrestricted £	Restricted £	<b>2020 £</b>
Medical and nursing services			
. Direct costs	3,999,007	—	<b>3,999,007</b>
. Support costs	2,362,178	—	<b>2,362,178</b>
	<b>6,361,185</b>	<b>—</b>	<b>6,361,185</b>
	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2019</i> £
<i>Medical and nursing services</i>			
. <i>Direct costs</i>	3,418,636	—	3,418,636
. <i>Support costs</i>	2,342,314	—	2,342,314
<i>Annuitants and other charitable services</i>	58	—	58
	<b>5,761,008</b>	<b>—</b>	<b>5,761,008</b>

**6 Analysis of support costs**

	Raising funds £	Charitable activities £	<b>2020 £</b>
Staff costs	13,652	685,112	<b>698,764</b>
Administration	7,961	235,489	<b>243,450</b>
Housekeeping – fuel & rates	1,752	144,223	<b>145,975</b>
Housekeeping – other	10,460	726,579	<b>737,039</b>
Depreciation	1,500	145,011	<b>146,511</b>
Repairs & maintenance	—	188,235	<b>188,235</b>
Insurance	948	78,026	<b>78,974</b>
Other costs	1,411	77,326	<b>78,737</b>
Governance costs	795	82,177	<b>82,972</b>
<b>Total support costs</b>	<b>38,479</b>	<b>2,362,178</b>	<b>2,400,657</b>
	<i>Raising</i> <i>funds</i> £	<i>Charitable</i> <i>activities</i> £	<i>2019</i> £
<i>Staff costs</i>	12,540	600,440	612,980
<i>Administration</i>	7,515	201,165	208,680
<i>Housekeeping – fuel &amp; rates</i>	1,768	145,551	147,319
<i>Housekeeping – other</i>	10,153	695,391	705,544
<i>Depreciation</i>	1,632	150,837	152,469
<i>Repairs &amp; maintenance</i>	—	225,222	225,222
<i>Insurance</i>	825	67,934	68,759
<i>Other costs</i>	2,958	114,547	117,505
<i>Governance costs</i>	1,715	141,227	142,942
<i>Total support costs</i>	<b>39,106</b>	<b>2,342,314</b>	<b>2,381,420</b>

Included within governance costs is auditor's remuneration of £27,106 (2019 - £22,800), internal audit fees of £16,500 (2019 - £nil) and a further £29,680 (2019 - £39,173) for professional fees related to the preparatory work for the proposed development of the new care facility.



## 7 Staff costs

	2020 £	2019 £
Wages and salaries	3,300,860	3,094,529
Social security costs	312,791	288,833
Pension costs	175,870	161,794
	<b>3,789,521</b>	<b>3,545,156</b>

The number of full-time equivalent employees during the period who earned over £60,000 in the year is as follows:

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	—	1
£90,001 - £100,000	—	—
£100,001 - £110,000	1	—

The average number of employees analysed by function was:

	FTE* 2020	Head Count 2020	FTE* 2019	Head Count 2019
*Full time Equivalent				
Nursing and care	105	125	106	111
Maintenance	3	5	3	4
Reception and portering	3	4	4	6
Management and administration	9	13	8	8
	<b>120</b>	<b>147</b>	121	129

Catering, cleaning and laundry are outsourced, but with staff dedicated to British Home. Average numbers of catering and cleaning staff during the year were FTE 14 / Head Count 23 (2019 FTE 19 / Head Count 26).

### **Remuneration of key management personnel**

No trustee received any remuneration in respect of their services during the year. No trustees were reimbursed for travel expenses in the year (2019 – £84 to two trustees).

During the year, the total remuneration, including pension contributions and employer's national insurance contributions, of key management personnel was £285,199 (2019 - £249,307).

## 8 Related party transactions

No member of the Board of Trustees nor any officer of the Home had any beneficial interest in any contract with the Home during the year.

The Home has purchased insurance to protect it from any loss arising from any neglect or defaults of any member of the Board of Trustees or employee and to indemnify any Board Member or employee against the consequence of any neglect or default on their part. The total cover provided by such insurance is £2,000,000 (2019 - £2,000,000) and the insurance premium paid by the Home during the year totalled £1,008 (2019 - £914).

Donations from trustees totalled £70 (2019 - £100).

**9 Taxation**

British Home and Hospital for Incurables is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**10 Tangible fixed assets**

	Freehold building £	Hospital equipment £	Computer equipment £	Transport £	Total £
<b>Cost</b>					
At 1 April 2019	3,240,207	23,687	67,331	15,980	<b>3,347,205</b>
Additions	89,971	83,173	27,790	—	<b>200,934</b>
At 31 March 2020	<u>3,330,178</u>	<u>106,860</u>	<u>95,121</u>	<u>15,980</u>	<b>3,548,139</b>
<b>Depreciation</b>					
At 1 April 2019	2,927,304	11,814	23,496	—	<b>2,962,614</b>
Charge for the year	125,112	4,737	13,466	3,196	<b>146,511</b>
At 31 March 2020	<u>3,052,416</u>	<u>16,551</u>	<u>36,962</u>	<u>3,196</u>	<b>3,109,125</b>
<b>Net book values</b>					
At 31 March 2020	<u>277,762</u>	<u>90,309</u>	<u>58,159</u>	<u>12,784</u>	<b>439,014</b>
At 31 March 2019	<u>312,903</u>	<u>11,873</u>	<u>43,835</u>	<u>15,980</u>	<b>384,591</b>

**11 Investments**

Investments held at 31 March comprised the following:

	Investment property £	Listed investments £	2020 £
Market value at 1 April 2019	<b>56,500</b>	<b>14,033,299</b>	<b>14,089,799</b>
Additions at cost	—	—	—
Disposals at opening book value	—	(1,000,000)	(1,000,000)
Net unrealised gains/(losses)	<b>293,500</b>	<b>(430,495)</b>	<b>(136,995)</b>
Market value at 31 March 2020	<b>350,000</b>	<b>12,602,804</b>	<b>12,952,805</b>
Cash held by investment advisors for re-investment	—	<b>33,059</b>	<b>33,059</b>
Total investments	<b>350,000</b>	<b>12,635,863</b>	<b>12,985,863</b>
Historical cost of investments at 31 March 2020	—	<b>9,686,903</b>	<b>9,686,903</b>
	<i>Investment property £</i>	<i>Listed investments £</i>	<i>2019 £</i>
Market value at 1 April 2018	56,500	14,642,733	14,699,233
Additions at cost	—	600,000	600,000
Disposals at opening book value	—	(2,001,413)	(2,001,413)
Net unrealised gains	—	791,979	791,979
Market value at 31 March 2019	56,500	14,033,299	14,089,799
Cash held by investment advisors for re-investment	—	625,104	625,104
Total investments	<u>56,500</u>	<u>14,658,403</u>	<u>14,714,903</u>
Historical cost of investments at 31 March 2020	—	<u>10,933,856</u>	<u>10,933,856</u>

**11 Investments (continued)**

The investment property is a share in land held on behalf of five charities.

**12 Debtors**

	2020 £	2019 £
Fee debtors	304,784	359,586
Prepayments and accrued income	141,442	650,793
	<b>446,226</b>	<b>1,010,379</b>

Prepayments and accrued income at 31 March 2020 include legacies of £43,231 (2019 - £588,025).

**13 Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	110,985	253,156
Amounts held on behalf of residents	39,753	28,997
Accruals and deferred income	451,336	264,182
Social security and other taxation	173,037	157,381
Other creditors	239,286	226,624
Liability on withdrawal from pension scheme	778,000	778,000
	<b>1,792,397</b>	<b>1,708,340</b>

Note: A corresponding asset for residents' monies is included in cash at bank (see note 20).

Included above is deferred income which relates to income receivable in 2020/21 which can be analysed as follows:

	2020 £	2019 £
Deferred income brought forward	152,679	97,401
Deferred in the year	158,816	152,679
Released in the year	(152,679)	(97,401)
Deferred income carried forward	<b>158,816</b>	<b>152,679</b>

**14 Operating lease commitments**

At 31 March 2020, the Charity had the following total commitments under operating leases on plant and machinery as follows:

Amounts payable:	2020 £	2019 £
.Within one year	4,550	4,550
.In two to five years	1,896	9,100
	<b>6,446</b>	<b>13,650</b>

**15 Endowment fund**

	2020 £	2019 £
The D.O. Beale Trust	12,477	12,477

**16 Restricted funds**

In the year to 31 March 2020 the charity received no restricted funds.

In the year to 31 March 2019 the income funds of the Home included restricted funds comprising the following donations held on trust which were to be applied for a specific purpose:

	<i>At 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>At 31 March 2019</i>
	£	£	£	£	£
<i>Red Rose Charitable Trust Fund</i>	—	1,000	—	(1,000)	—

***Red Rose Charitable Trust Fund***

These monies were donated to be expended on someone from the Merseyside area. In 2019 the charity did not have any suitable beneficiaries and so the donor agreed to the charity retaining the funds for unrestricted purposes.

**17 Designated funds**

The income funds of the Home include the following designated funds which have been set aside out of unrestricted funds by the Board of Trustees for specific purposes:

	<i>At 1 April 2019</i>	<i>Released/ added in year</i>	<b><i>At 31 March 2020</i></b>
	£	£	£
Tangible fixed assets fund	384,590	54,424	<b>439,014</b>
Continuity of Care fund	—	5,900,000	<b>5,900,000</b>
Major and Cyclical Maintenance fund	—	2,000,000	<b>2,000,000</b>
	<b>384,590</b>	<b>7,954,424</b>	<b>8,339,014</b>

	<i>At 1 April 2018</i>	<i>Released in year</i>	<i>At 31 March 2019</i>
	£	£	£
<i>Tangible fixed assets fund</i>	512,489	(127,899)	384,590
<i>Continuity of Care fund</i>	—	—	—
<i>Major and Cyclical Maintenance fund</i>	—	—	—
	<b>512,489</b>	<b>(127,899)</b>	<b>384,590</b>

***Tangible fixed asset fund***

An amount equivalent to the net book value of tangible fixed assets at the end of the year is designated to recognise that they are not available for general use as they are not readily realisable.

***Continuity of care fund***

This fund has been established to meet the charity's obligations to provide essential services for all parties in the event of a critical incident.

***Major and cyclical maintenance fund***

This fund has been established as the charity operates from an old Victorian building which is both expensive to maintain and occasionally requires costly unplanned major repairs to the buildings infrastructure.

**18 Analysis of net assets between funds**

	Endowment fund £	Designated funds £	General fund £	Total 2020 £
<b>Fund balances at 31 March 2020 are represented by:</b>				
Tangible fixed assets	—	439,014	—	<b>439,014</b>
Investments	12,477	7,900,000	5,073,386	<b>12,985,863</b>
Current assets	—	—	1,334,176	<b>1,334,176</b>
Creditors: amounts falling due within one year	—	—	(1,792,397)	<b>(1,792,397)</b>
<b>Total net assets</b>	<b>12,477</b>	<b>8,339,014</b>	<b>4,615,165</b>	<b>12,966,656</b>

	Endowment fund £	Designated funds £	General fund £	Total 2019 £
<i>Fund balances at 31 March 2019 are represented by:</i>				
<i>Tangible fixed assets</i>	—	384,591	—	384,591
<i>Investments</i>	12,477	—	14,702,426	14,714,903
<i>Current assets</i>	—	—	1,372,066	1,372,066
<i>Creditors: amounts falling due within one year</i>	—	—	(1,708,340)	(1,708,340)
<i>Total net assets</i>	<b>12,477</b>	<b>384,591</b>	<b>14,366,152</b>	<b>14,763,220</b>

**19 Pension commitments**

The Home operated a defined benefit pension scheme providing benefits based on final pensionable pay until 31 March 2014. The defined benefit pension scheme closed to new members and future accrual as at 31 March 2014. The most recent triannual valuation of the scheme was at 1 April 2016.

In February 2018, after seeking advice from our advisors KPMG, the trustees took the decision to buyout of the scheme and a total liability of approximately £1,788,000 crystallised. During 2018 £1,010,000 was paid and the amount outstanding at 31 March 2019 and at 31 March 2020 is £778,000. The estimated liability is based on information provided by our advisors and Aviva, the insurers.

The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the charity does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As such and as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount recognised in the statement of financial activities represents the charity's contributions payable to the Plan in respect of the accounting period.

**19 Pension commitments** (continued)

Members of the Plan are entitled to benefits on either a “Pensions Capital” or “Target Pension” basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

**20 Cash at bank**

Cash at bank of £887,950 on 31 March 2020 (2019 - £361,687) includes £39,753 held on behalf of the residents of the Home (2019 - £28,997). A corresponding liability for these monies is included in creditors (note 13).