

**British
Home and
Hospital for
Incurables**

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

31 March 2021

Charity Registration Number
206222

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Reference and administrative details

Patron	Her Royal Highness Princess Alexandra
Honorary President	Professor, The Lord McColl of Dulwich
Chair	Mrs Kay Sonneborn BA
Deputy Chair	Mr David Green MA (Cantab)
Board of Trustees	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 Rebecca Sycamore Ms Jane Fisher
Chief Executive Officer to the Board	Mr Paul Perkin
Director of Care and Development	Mr Keith Crowhurs, RN
Director of Finance and Resources	Mrs Natasha Charles-Lewis, ACMA
Address	Crown Lane Streatham London SW16 3JB
Website	www.britishhome.org.uk
Charity registration number	206222
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details

Investment advisors CCLA Investment Management Limited
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London
EC2V 6DZ

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London, EC4M 8BU

Bankers Barclays Bank plc
Clapham Common Group
PO Box 4038
London, SW12 9YB

Legal advisers Hempsons
40 Villiers Street
London, WC2N 6NJ

Property advisers 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 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 31 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

I must begin by thanking our staff, who have worked relentlessly through another difficult year to continue to provide the best care, support and hope to our residents and their families. A vast amount of knowledge and skills have been acquired because of the pandemic, and it has presented a huge learning curve to provide even greater clinical understanding for our residents. Nevertheless, it has been a difficult, and stressful time for all.

Our thanks also go to British Home's residents, their relatives and visitors. The pandemic brought limited ability for visits, which have been so important in bringing cheer and comfort amid a forever-changing landscape of what was and wasn't possible during ever-evolving levels of restrictions.

Ever since March 2020, when normal operations across the country were suspended so abruptly, British Home has strived to embrace this new environment, in order to keep our residents connected with their loved ones. A pivot to video 'visits' was just one of the ways we did this. Throughout the challenging period, we looked at every way to enhance our team's capabilities to keep links with the Home, and lines of communication thriving throughout all lockdowns. We did everything we could to keep our charity open and as available as possible to families and friends of the residents.

The Board and its subcommittees continued meetings virtually, including regularly to meet with staff during 2020 and 2021. It was crucial for the Board and staff to continue their strong relationship, and to be able to communicate in both directions for the benefit of British Home and all its people.

The early period of the pandemic also brought many more difficulties, particularly in the first months, such as shortages of Personal Protective Equipment (PPE), testing, as well as having to furlough staff, and protect team members who were vulnerable. Thankfully, these challenges have subsided.

There are 80 beds at our Home, and many potential residents seeking to be admitted to them. Our residents experience a range of conditions and challenges, and their needs are ever growing. This is precisely why expanding our rehabilitation and reablement programmes, is key to our vision and strategic programme, so that we can offer more clinical and therapeutic assistance to those who need it.

This progress was stalled in the first six months of 2020. However, we were determined to ensure our ambitions could and would be achievable, not only for our current residents, but the ones we are yet to welcome in the future.

A Note from our Chair (continued)

Our wish, and our vision for British Home, is one which receives recognition of its clinical and therapeutic strength within our incredible building in Streatham, which is sustainable, maintained and always looks forward to progress. We intend, after our first phase of our programme has been achieved, to look at a particular part of the building which has required attention for a number of years, in order to bring it back to life.

We envisage it as functional space where residents both old and new can enjoy, particularly those who may have the ability to become more independent with assistance if required from our staff. These are ambitious plans, and we recognise this, which is why we are keen to gather momentum quickly in order to ensure their success.

To achieve these plans will also need us to think of the financial aspect of such ambition, both in the investing of staff and the investment in buildings. Our reserves were depleted in 2020 and 2021 due to the necessity to invest in keeping our staff and residents safe during the pandemic. Our current funds will assist in our programme, but we will be continuing to seek external financial resources through fundraising for capital projects and other initiatives.

In 2019 we looked at the Governance of our charity and recognised that our newly adopted 'Terms of Service' would have a board that in 2022 and 2023 will see half of our trustees retiring. Succession planning, diversification and bolstering skill sets are key to reflecting the needs of a neuro-disability charity. For this reason, we will soon start a recruitment campaign to find new trustees, to reflect the needs of our charity. We have welcomed a new trustee in July of this year who is not only a local resident, but brings to the board added financial, strategic and governance skills, which will be needed for the ambitious programme we have ahead.

The Board recognises that without the dedication, commitment, and knowledge of our staff, including our executive team and our volunteers, we would have had great difficulty in 2020 and 2021 in providing the service, care and wellbeing that is needed for our residents. We must thank them all.

We can, and we will continue to offer more with every year and look forward to a brighter future for our residents and everyone who is part of British Home.

The Charity Board of Trustees is



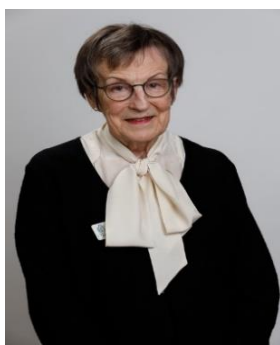
Chair: Kay Sonneborn

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.

Tom Walker

At its meeting in July 2021 Trustees agreed to appoint Mr Tom Walker to the Board of British Home. Tom is currently Co-Head of Global Listed Real Assets for Schroders.

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;
- ◆ 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;

Board Responsibilities Statement (continued)

- ◆ 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 5 times in the year to 31 March 2021 and more informally on a number of occasions to discuss British Home's future strategy. At 31 March 2021 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 on the 13 of May 2020 the Board completed a formal review of its governance structure including the terms of reference for each of its sub-committees and their alignment with those objectives included in the charity's 5-year strategy.

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 counsel 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, safe practice and regulatory compliance. At its meeting in May 2021 the Care Governance Committee agreed a new suite of strategic performance indicators which support the charity's aspiration to become a Specialist Level-2 Neuro-rehabilitation provider.

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. In April of this year, the Finance Committee oversaw the development of a new Financial Sustainability Plan which is intended to eliminate the operational deficit over the next three years. This plan was approved and adopted by the Board at its meeting in May 2021 and will focus on levelling -up care fees for those residents whose costs are not fully met by commissioners.

The Redevelopment Oversight Committee

Following a decision to terminate its earlier agreement with a development partner to build a new care facility on the existing site of the British Home, the Board agreed at its meeting in December 2019 to preserve and re-purpose the charity's existing buildings. This will involve a large refurbishment of the existing site and retention of all the original architectural features of the Victorian building, while creating a more modern environment with the infrastructure to support new technologies and rehabilitation equipment.

The Board have agreed the terms of reference for a new Redevelopment Oversight Committee, which will oversee the design and completion of the refurbishment of British Home. Next year this Committee will commission a feasibility study to agree the design options and costs for the redevelopment project. Following this, the Redevelopment Oversight Committee will recommend a final design and phased programme of works to be adopted by the Board. The redevelopment of the British Home will be funded through a combination of the charity's reserves and a major capital fundraising campaign.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee was reformed in 2018 to oversee the balance and effectiveness of the Board, including the appointment of new Trustees. The Remuneration and Nominations Committee is also responsible for the remuneration of the executive management team of the Charity. In July of this year, the Remuneration and Nominations Committee recommended the appointment of Mr Tom Walker to the Board.

Trustee recruitment, induction and training

The Board annually 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. Over the next year, the Remuneration and Nominations Committee will begin a recruitment process to support the Board's succession planning, as several Trustees approach the end of their fixed tenures. As part of this process, the Board

Structure, governance and management (continued)

Trustee recruitment, induction and training (continued)

will seek to increase the diversity of its membership to ensure that it remains reflective of British Home's residents, staff and wider community.

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.

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 Chair of the Board of Evolve Housing and Support a London based homelessness charity.

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.

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.

Aims Objectives and Strategy (continued)

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. In 2019, 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 86% or 69 residents (2020 – 99% or 80 residents).

In 2019, the Board agreed its 5-year strategy, with a central aim to build upon its experience and become a specialist provider of neuro-disability rehabilitation. Over the next three years of its current strategy, the Board will continue to invest charitable income to develop British Home into a centre of excellence for 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).

COVID-19

At the outset of the 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 and the Board remain grateful for their unwavering commitment in these difficult times. We have also been greatly encouraged by the support and generosity of many partner organisations and members of our local community. It is through the support of our donors and volunteers that we can remain resilient and continue providing much needed care and support during these challenging times.

Public benefit

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 Charity's 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 including rehabilitation support, recreational activities, befriending and fundraising.

The pandemic had a significant impact on the charity's volunteer support due to government restrictions. From the outset of the pandemic, we were unable to host our volunteers or events at British Home. However, with the support of PRS for Music Foundation and others over that time, we were able to hold online events for residents including concerts, quiz nights and virtual fundraising activities. Since the easing of lockdown restrictions this year, we have been able to welcome volunteers and visitors back into British Home. In September we hosted a summer event for all our residents, families, and staff to celebrate us being able to come together as one community for the first time since lockdown. The Board remain grateful to our volunteers who contributed to this event, as well as the continued support of Fitzgerald Orchestra who provided such wonderful music on the day.

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 online quarterly families and carer's meetings as well as through our annual family and carer surveys.

Activities and social engagement

Over the pandemic, we have continued to provide a range of stimulating activities for all our residents. Although these were limited at the beginning of the year, for the purposes of resident safety, we have since been able to increase the variety and frequency of activities provided in-house. Since lockdown restrictions have eased, we have also been able to support residents to access the wider community and places of interest, while also helping them to resume contact with families and friends.

The Home uses charitable funding to employ an Activities Co-ordinator 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.

Aims Objectives and Strategy (continued)

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. Over the next year, British Home will launch a capital appeal to support the re-development of our existing building and site. We look forward to sharing our plans and vision for the redevelopment of the building with all of our supporters in the coming months.

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 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.

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 £2,240,535 (2020 - £2,327,398) as shown in the table below:

	2021 £	2020 £
Fees	4,258,763	4,178,361
Less: Expenditure	(6,499,298)	(6,505,759)
Operating deficit	(2,240,535)	(2,327,398)
Donations	45,574	93,625
Investment income	420,172	486,112
Other Income	369,931	67,198
Deficit before legacies	(1,404,758)	(1,680,463)
Legacies	526,842	20,894
Net expenditure for the period before investment gains and losses	(877,916)	(1,659,569)

a) *Fees*

Income from fees charged increased by 2% to £4,258,763 (2020 - £4,178,361). The decrease in average occupancy as a result of the current pandemic was augmented by higher fees generated in respect of new admissions with continued focus on attracting specialist needs residents with neurological conditions and a greater emphasis on the charity's therapy provision. 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 2021 decreased by 0.1% to £6,499,298 (2020 - £6,505,759).

Within this total, staffing costs amounted to £3,882,795 (2020 - £3,789,521) an increase of £93,274. 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.

c) *Fundraising and publicity*

Costs, with allocated support costs, totalled £82,171 (2020 - £144,574). This included costs for the external marketing of British Home to continue raising awareness of British Home and its work, to support its fundraising endeavours.

d) *Donations*

Donations decreased within the last year to £45,674 (2020 - £93,625). The current pandemic impacted on fundraising activities during the year and contributed to the decline in donations received compared to previous years. The charity is thankful for the great support of individual donors and charitable trusts, a number of whom have been loyal supporters of British Home for many years. 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.

Financial review (continued)

Performance in the year (continued)

e) *Income*

Income from legacies increased within the last year to £526,842 (2020 - £20,894). 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, £233,000 (2020 - £nil) 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 over the last year has been to increase awareness of the charity's brand and purpose to a wider audience, specifically as we seek to launch a capital fundraising appeal. Last year the charity engaged the communications agency – Brazil, to support it with external communications and media management. This has resulted in several press opportunities for British Home to showcase its work across a range of media including mainstream television, national newspapers and social media.

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.

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.

Financial review (continued)

Pension Liabilities (continued)

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 2021 were £14,585,366 (2020 - £12,966,656). Of these £338,617 (2020 - £439,014) 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 2021 were £6,334,271.

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 continues to have a significant impacted on the charity's reserves and highlights 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 2020/21 the British Home held £14,491,862 in investments which were otherwise unrestricted and free reserves. These funds were split between general reserves £6,334,271 and £8,238,617 designated funds throughout that year for continuity of care and major and cyclical maintenance. The Board is awaiting costings for the planned redevelopment project which would require a further designation along with capital fundraising to fund the project. The Board has currently made the following designations:

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.

Financial review (continued)

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 2021 was £14,491,862 (2020 - £12,985,863). The value of the Home's investments rise and fall in line with the economic environment and investment market sentiment. The market rallied following the initial impact of COVID-19 pandemic which resulted in an overall gain in the listed investment portfolio of £2,497K, as at 31 March 2021. 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 £420,172 (2020 - £486,112). There were net unrealised investment gains of £2,496,626 for the year (2020 - £136,995 losses) reflecting the change in market value of investments since 31 March 2020.

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.

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.

Report of the Board of Trustees Year to 31 March 2021

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:

Kay Sonneborn
Trustee

Approved on : 15/12/2021

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 2021 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 2021 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 charity 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 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.

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.

How the audit was considered capable of detecting irregularities including fraud

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 management and trustees and from our 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 accounts or the activities of the charity. These included but were not limited to the Charities Act 2011; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); Care Standards; Health and Safety Regulations; The Code of Fundraising Practice; Safeguarding Regulations; and Data Protection; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and those charged with governance and review of minutes of trustees' meetings.

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

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

Auditor's responsibilities for the audit of the accounts (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

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 and reviewed journal entries to identify unusual transactions;
- ◆ Assessed controls over the opening of post;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ 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 trustees; and
- ◆ Enquiring of us as to actual and potential litigation and claims.

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 trustees 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.

We did not identify any irregularities, including fraud.

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. This description forms part of our auditor's report.

Independent auditor's report Year to 31 March 2021

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.

12 January 2022

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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 2021

	Notes	Un-restricted funds £	Restricted funds £	En-dowment funds £	2021 Total funds £	2020 Total funds £
Income from:						
Donations and legacies	1	572,516	—	—	572,516	114,519
Investment income	2	420,172	—	—	420,172	486,112
Charitable activities	3	4,258,763	—	—	4,258,763	4,178,361
Other income	4	369,931	—	—	369,931	67,198
Total income		5,621,382	—	—	5,621,382	4,846,190
Expenditure on:						
Raising funds	5	124,141	—	—	124,141	144,574
Charitable activities	6	6,374,157	1,000	—	6,375,157	6,361,185
Total expenditure		6,498,298	1,000	—	6,499,298	6,505,759
Net (expenditure) for the year before investment losses		(876,916)	(1,000)	—	(877,916)	(1,659,569)
Gains on investments	12	2,496,626	—	—	2,496,626	(136,995)
Net income/(expenditure)		1,619,710	(1,000)	—	1,618,710	(1,796,564)
Transfer between funds		(1,000)	1,000	—	—	—
Net movement in funds		1,618,710	—	—	1,618,710	(1,796,564)
Fund balances brought forward at 1 April 2020		12,954,179	—	12,477	12,966,656	14,763,220
Fund balances carried forward at 31 March 2021		14,572,889	—	12,477	14,585,366	12,966,656

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

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	11		338,618		439,014
Investments	12		14,491,862		12,985,863
			14,830,480		13,424,877
Current assets					
Debtors	13	580,186		446,226	
Cash at bank		1,022,420		887,950	
		1,602,606		1,334,176	
Creditors: amounts falling due within one year	14	(1,847,720)		(1,792,397)	
Net current (liabilities)			(245,114)		(458,221)
Net assets			14,585,366		12,966,656
The funds of the charity:					
Endowment fund	16		12,477		12,477
Restricted funds	17		—		—
Unrestricted funds					
. Designated funds	18		8,238,617		8,339,014
. General fund			6,334,272		4,615,165
			14,585,366		12,966,656

Approved by the Board of Trustees on 15/12/2021 and signed on its behalf by:

Kay Sonneborn
Trustee

Statement of cash flows 31 March 2021

	Notes	2021 £	2020 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(1,192,737)	(1,350,960)
Cash inflow from investing activities			
Dividends and interest from investments		420,172	486,112
Sale of investments		2,500,000	1,000,000
Purchase of fixed assets		(83,590)	(200,934)
Net cash provided by investing activities		2,836,582	1,285,178
Change in cash and cash equivalents in the year		1,643,845	(65,782)
Cash and cash equivalents at 1 April 2020	B	921,009	986,791
Cash and cash equivalents at 31 March 2021	B	2,564,854	921,009

Notes to the cash flow statement for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	1,618,710	(1,796,564)
Adjustments for:		
Depreciation charge	183,986	146,511
(Gains) losses on investments	(2,496,624)	136,995
Dividends and interest from investments	(420,172)	(486,112)
(Increase) decrease in debtors	(133,960)	564,153
Increase in creditors	55,323	84,057
Net cash used in operating activities	(1,192,737)	(1,350,960)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,022,420	887,950
Cash held by investment managers	1,542,434	33,059
Total cash and cash equivalents	2,564,854	921,009

Principal accounting policies Year to 31 March 2021

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 2021 with comparative information provided in respect to the year ended 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;
- ◆ legacy recognition; and
- ◆ estimating future inflows and outflows for the purpose of assessing going concern

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. At 31 March 2021 the charity had net current liabilities of £245,112 (2020 - £458,221). However, 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 2022, 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.

Income from the Government's Coronavirus Job Retention Scheme, and other Government COVID-19 related grants, is recognised when the charity has made a valid claim for the income, the amount can be measured and when it is entitled to receive the income.

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 and the basis of apportioning costs (continued)

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.

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 £36m at 31 March 2021 (at 31 March 2020 – £36m).

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 £	2021 £
Donations inclusive of reclaimed tax	45,674	—	45,674
Legacies	526,842	—	526,842
Total 2021	572,516	—	572,516
	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2020</i> £
<i>Donations inclusive of reclaimed tax</i>	<i>93,625</i>	<i>—</i>	<i>93,625</i>
<i>Legacies</i>	<i>20,894</i>	<i>—</i>	<i>20,894</i>
<i>Total 2020</i>	<i>114,519</i>	<i>—</i>	<i>114,519</i>

2 Investment income

	Unrestricted funds	
	2021 £	2020 £
Sarasin – CIF ALPHA fund units	225,583	240,455
COIF – Investment fund income units	194,002	244,489
	419,585	484,944
Interest receivable	587	1,168
Total 2021	420,172	486,112

3 Income from charitable activities

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

4 Other Income

	Unrestricted funds	
	2021 £	2020 £
Social Care Infection Control Fund (ICF)	190,736	—
Coronavirus Job Retention Scheme (CJRS)	131,479	—
COVID-19 Sustainability Payment	43,625	—
Coronavirus Statutory Sick Pay (SSP)	4,091	—
Promotion fee	—	67,198
	369,931	67,198

5 Expenditure on raising funds

	Unrestricted funds	
	2021 £	2020 £
Advertising and agency fees	1,275	360
Other costs (including staff costs)		
. Direct costs	80,896	105,735
. Support costs	41,971	38,479
	124,141	144,574

6 Expenditure on charitable activities

	Unrestricted £	Restricted £	2021 £
Medical and nursing services			
. Direct costs	3,973,065	—	3,973,065
. Support costs	2,401,092	1,000	2,402,092
	6,374,157	1,000	6,375,157

	Unrestricted £	Restricted £	2020 £
<i>Medical and nursing services</i>			
. Direct costs	3,999,007	—	3,999,007
. Support costs	2,362,178	—	2,362,178
	6,361,185	—	6,361,185

7 Analysis of support costs

	Raising funds £	Charitable activities £	2021 £
Staff costs	20,084	789,619	809,703
Administration	5,346	149,758	155,104
Housekeeping – fuel & rates	2,101	172,992	175,093
Housekeeping – other	10,110	812,952	823,062
Depreciation	1,717	182,269	183,986
Repairs & maintenance	—	125,839	125,839
Insurance	1,004	82,658	83,662
Other costs	1,187	51,122	52,408
Governance costs	422	34,783	35,205
Total support costs	41,971	2,402,092	2,444,063

7 Analysis of support costs (continued)

	<i>Raising funds</i> £	<i>Charitable activities</i> £	2020 £
<i>Staff costs</i>	13,652	685,112	698,764
<i>Administration</i>	7,961	235,489	243,450
<i>Housekeeping – fuel & rates</i>	1,752	144,223	145,975
<i>Housekeeping – other</i>	10,460	726,579	737,039
<i>Depreciation</i>	1,500	145,011	146,511
<i>Repairs & maintenance</i>	—	188,235	188,235
<i>Insurance</i>	948	78,026	78,974
<i>Other costs</i>	1,411	77,326	78,737
<i>Governance costs</i>	795	82,177	82,972
<i>Total support costs</i>	38,479	2,362,178	2,400,657

Included within governance costs is auditor's remuneration of £28,800 (2020 - £27,106) internal audit fees of £NIL (2020 - £16,500) and a further £NIL (2020 - £29,680) for professional fees related to the preparatory work for the proposed development of the new care facility which has been aborted and replaced with a plan for refurbishment.

8 Staff costs

	2021 £	2020 £
Wages and salaries	3,368,244	3,300,860
Social security costs	322,663	312,791
Pension costs	187,845	175,870
Redundancy costs	14,044	—
	3,882,795	3,789,521

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

	2021 Number	2020 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	—
£90,001 - £100,000	1	—
£100,001 - £110,000	—	1

The average number of employees analysed by function was:

	FTE* 2021	Head Count 2021	FTE* 2020	Head Count 2020
*Full time Equivalent				
Nursing and care	89	111	105	125
Maintenance	3	5	3	5
Reception and portering	4	5	3	4
Management and administration	11	11	9	13
	107	132	120	147

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 20 (2020 FTE 14 / Head Count 23).

8 Staff costs (continued)

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 (2020 – £nil).

During the year, the total remuneration, including pension contributions and employer's national insurance contributions, of key management personnel was £312,846 (2020 - £285,199).

9 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 (2020 - £2,000,000) and the insurance premium paid by the Home during the year totalled £5,600 (2020 - £1,008).

Donations from trustees totalled £190 (2020 - £70).

10 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.

11 Tangible fixed assets

	Freehold building £	Hospital equipment £	Computer equipment £	Transport £	Total £
Cost					
At 1 April 2020	3,330,178	106,860	95,121	15,980	3,548,139
Additions	—	70,204	13,386	—	83,590
At 31 March 2021	<u>3,330,178</u>	<u>177,064</u>	<u>108,507</u>	<u>15,980</u>	<u>3,631,729</u>
Depreciation					
At 1 April 2020	3,052,416	16,551	36,962	3,196	3,109,125
Charge for the year	143,106	18,660	19,024	3,196	183,986
At 31 March 2021	<u>3,195,522</u>	<u>35,211</u>	<u>55,986</u>	<u>6,392</u>	<u>3,293,111</u>
Net book values					
At 31 March 2021	<u>134,656</u>	<u>141,853</u>	<u>52,521</u>	<u>9,588</u>	<u>338,618</u>
At 31 March 2020	<u>277,762</u>	<u>90,309</u>	<u>58,159</u>	<u>12,784</u>	<u>439,014</u>

11 Tangible fixed assets (continued)

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.

12 Investments

Investments held at 31 March 2021 comprised the following:

	Investment property £	Listed investments £	2021 £
Market value at 1 April 2020	350,000	12,602,804	12,952,804
Disposals at opening book value	—	(2,500,000)	(2,500,000)
Net gains/(losses)	—	2,496,624	2,496,624
Market value at 31 March 2021	350,000	12,599,428	12,949,428
Cash held by investment advisors for re-investment	—	1,542,434	1,542,434
Total investments	350,000	14,141,862	14,491,862
Historical cost of investments at 31 March 2021	—	8,761,441	8,761,441
	<i>Investment property £</i>	<i>Listed investments £</i>	<i>2020 £</i>
Market value at 1 April 2019	56,500	14,033,299	14,089,799
Disposals at opening book value	—	(1,000,000)	(1,000,000)
Net gains (losses)	293,500	(430,495)	(136,995)
Market value at 31 March 2020	350,000	12,602,804	12,952,805
Cash held by investment advisors for re-investment	—	33,059	33,059
Total investments	350,000	12,635,863	12,985,863
Historical cost of investments at 31 March 2020	—	9,686,903	9,686,903

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

13 Debtors

	2021 £	2020 £
Fee debtors	244,800	304,784
Prepayments and accrued income	335,386	141,442
	580,186	446,226

Prepayments and accrued income at 31 March 2021 include legacies of £233,000 (2020 - £43,231).

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	122,019	110,985
Amounts held on behalf of residents	45,458	39,753
Accruals and deferred income	468,520	451,336
Social security and other taxation	167,465	173,037
Other creditors	266,258	239,286
Liability on withdrawal from pension scheme	778,000	778,000
	1,847,720	1,792,397

Note: A corresponding asset for residents' monies is included in cash at bank (see note 21).

Included above is deferred income which relates to income receivable in 2021/22 which can be analysed as follows:

	2021 £	2020 £
Deferred income brought forward	158,816	152,679
Deferred in the year	195,639	158,816
Released in the year	(158,816)	(152,679)
Deferred income carried forward	195,639	158,816

15 Operating lease commitments

At 31 March 2021, the Charity had the following total commitments under operating leases on plant and machinery as follows:

Amounts payable:	2021 £	2020 £
Within one year	4,281	4,550
In two to five years	8,562	1,896
	12,843	6,446

16 Endowment fund

	2021 £	2020 £
The D.O. Beale Trust	12,477	12,477

17 Restricted fund

In the year to 31 March 2021 the charity received no restricted funds. The movement on restricted funds is in respect of the correction of an error in 2020.

18 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:

	At 1 April 2020 £	Released/ added in year £	At 31 March 2021 £
Tangible fixed assets fund	439,014	(100,396)	338,618
Continuity of Care fund	5,900,000	—	5,900,000
Major and Cyclical Maintenance fund	2,000,000	—	2,000,000
	8,339,014	(100,396)	8,238,618

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

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.

19 Analysis of net assets between funds

	Endowment fund £	Designated funds £	General fund £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	—	338,617	—	338,617
Investments	12,477	7,900,000	6,578,944	14,491,862
Current assets	—	—	1,603,048	1,602,608
Creditors: amounts falling due within one year	—	—	(1,847,720)	(1,847,720)
Total net assets	12,477	8,238,617	6,334,272	14,585,366

19 Analysis of net assets between funds (continued)

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

20 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 their 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 2021 is £778,000. The estimated liability is based on information provided by the trustees' professional 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.

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.

21 Cash at bank

Cash at bank of £1,022,422 on 31 March 2021 (2020 - £887,950) includes £45,458 held on behalf of the residents of the Home (2020 - £39,753). A corresponding liability for these monies is included in creditors (note 13).