

**British  
Home and  
Hospital for  
Incurables**

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

31 March 2023

Charity Registration Number  
206222

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## Reference and administrative details

<b>Honorary President</b>	Professor, The Lord McColl of Dulwich
<b>Chair</b>	Kay Sonneborn BA
<b>Deputy Chair</b>	David Green MA (Cantab)
<b>Board of Trustees</b>	Patricia Collinson, Dip NUR, RNT (retired January 2023) Kenneth Dunn MA, DipMS Alison Hughes RN, MHSM Rowenna Hughes GradDip MCSP, SRP (retired September 2022) James Mill TD, CA Derek Prentice Rebecca Sycamore Jane Fisher Tom Walker John Handley (appointed 3 November 2022) Andrea Haug (appointed 3 November 2022) Taras Fella (appointed 3 November 2022)
<b>Chief Executive Officer to the Board</b>	Paul Perkin
<b>Director of Care</b>	Douglas Webb – Interim (contract ended November 2022) Victoria Fields – (appointed November 2022)
<b>Director of Finance and Resources</b>	Natasha Charles-Lewis, ACMA
<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

## Report of the Board of Trustees Year to 31 March 2023

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 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 30 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**

Welcome to our Annual Accounts and Report. On reading this you will see that much has happened in 2022/2023 both in activity and continued financial improvement and you will see the future for the British Home's ambitions.

Before continuing it is important from the start to recognise the continued dedication that all staff - clinical, support and management make to the continued life of the residents of the British Home and the Charity. Without their knowledge, dedication, and support in so many ways there would be no British Home, and the Trustees are forever grateful.

2023 has been a successful year in that we have been fully discharged of Covid and all that sits around it. We have been able to give much more attention to the strategic plans that were first initiated in 2019 and then halted over the pandemic. We were able to resurrect some of these plans in the middle of 2022 and we have seen far more activity happening with our 5-year Strategy over the last year.

At the heart of our 5-year strategy has been our ambition to develop even more specialist neuro-rehabilitation services in response to greater demand from people with more complex neurological conditions. Our overarching aspiration is to become a specialist level-2 service, as defined by the British Society of Rehabilitative Medicine. It remains our firm belief that more specialist beds and services are needed for the population of people living with severe neurological conditions.

Towards the end of 2022 we appointed a new Director of Care and Registered Manager who brought with them the expert knowledge in nursing and rehabilitative care that will support our strategy. The new clinical leadership team remain mindful of the support, wellbeing, training and continuous development that our staff require for the journey ahead of us.

The staff at British Home are as diverse in background, culture and thought as our residents and we continue to draw on the strengths and unique characteristics of all at British Home, to ensure our service is accessible and responsive to the needs of everyone we support. In the next year we will implement a new equality and diversity strategy with our staff and residents, to ensure that we continue to maintain an open and inclusive culture for all at British Home.

In our report last year, we discussed our revised governance arrangements and how this is important for our Board to achieve its strategic objectives. As part of the Board's succession plan, we undertook a skills review of the Board earlier in the year. We identified the skills and knowledge gaps that we would need to address to support the charity's strategic aims.

**A Note from our Chair** (continued)

We began our first search in early autumn 2022 and were delighted with the number of individuals who applied for a Trustee position. In November, we recruited three Trustees who bring with them experience of financial management as well as people and culture within senior, executive roles. In July this year we recruited a further two Trustees with clinical expertise in the field of neuro- science. We expect that our recently appointed Trustees will play a vital role in the British Home's journey towards becoming a sustainable and highly specialist provider of care and therapy for people living with neuro-disability.

We continue to look at the ever-increasing costs the Charity is bearing as a result of admitting residents who are requiring far more clinical and care needs. We are seeing many Commissioners acknowledging the specialist skills and care the British Home is providing and therefore referring individuals with more complex needs than we admitted prior to the pandemic.

This has resulted in a significant increase in our revenue. However, we have also seen an increase in our staffing costs, as the national shortage of qualified nurses and carers has resulted in a higher reliance of agency staff. This presents further challenges in reducing our operational deficit which is a key objective of our strategy. In the last six months we engaged with the government's Skills Bootcamp initiative which aims to provide London residents with the skills and experience required to take up careers in adult social care. We have recruited over 10 staff into British Home, providing continued training and support provided by our Care Trainer. Through this initiative we are able to offer new career opportunities to those who share our values and ambition to improve the lives of our residents. This has the dual benefit of reducing our reliance on costly, temporary staff and will go some way to ensuring that our fee income covers the cost of our specialist care.

With Covid now not dominating our every action, this year has seen a shift in our activity as described above, be it our ambitious Clinical Strategy to offer a Level 2 service; our Financial Strategy to eradicate our deficit position, or our Governance and appointment of new Trustees. The Board remain energised and determined to deliver on all of these key objectives and we are confident that the British Home has a bright future.

I need to acknowledge the retirement of two long standing Trustees - Rowenna Hughes and Patricia Collinson. Rowena retired after many decades at the Home giving much service to the development of our physiotherapy and occupational Services. Always a supporter of these services, Rowenna championed these at Board discussions and visited the service many times. Patricia has also been a Trustee for over 15 years, ensuring the Board remained focussed on clinical governance and imparted much knowledge and support for continuous quality and clinical safety. Their dedication to these areas and a much wider board governance contribution and support is greatly acknowledged and appreciated.

I must also thank Paul Perkin, and his team, who has steered the Charity through the last turbulent years, always doing so with huge knowledge and professionalism and a smile. He has enabled the Charity to survive and come through looking ambitious and even brighter.

### Composition of the Board of Trustees

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 of the largest Primary Care Trust in London for ten years.



***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 (retired from the Board January 2023)***

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.



***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.



***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.



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



**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 Northwest 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**

Tom is currently Co-Head of Global Listed Real Assets for Schrodgers where he is responsible for a large real asset investment portfolio and has significant experience in investment management.



**John Handley**

At its meeting in November 2022 Trustees agreed to appoint John Handley to the Board of British Home. John is an internationally experienced executive who has worked extensively with business leaders across small and large businesses, fully owned and joint venture partnerships, listed and not for profit sectors, in services and manufacturing industries and in emerging and mature markets including Saudi Arabia, India, Australia, the United States and the UK. An accredited WABC Executive Coach, John focuses on building very high levels of trust, before honing in on actions colleagues can take to achieve significant performance improvement at a personal and organisational level. John is currently the Executive Director of People at HC-One Limited, having joined in 2021.



**Andrea Haug**

At its meeting in November 2022 Trustees agreed to appoint Andrea Haug to the Board of British Home. Andrea has successfully led HR in a number of sectors including retail, media and entertainment, hotels and hospitality, infrastructure, and financial services in both the UK and internationally. She has broad experience at both strategic and operational levels across all areas of HR. Her deeper specialisms include leadership, culture, employee engagement, and organisational change. Andrea's passions are supporting leaders through periods of growth, uncertainty, and change, and building workplaces that are welcoming and inclusive, where everyone feels they belong and are able to contribute, achieve and progress.

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



#### Taras Fella

At its meeting in November 2022 Trustees agreed to appoint Taras Fella to the Board of British Home. Taras spent 7 years within the internal audit function of IQVIA, a US listed multi-national healthcare company before taking up his current role of Senior Director of Financial systems.

Patricia Collinson retired from her role as Trustee in January 2023. The Board and Executive Team would like to thank Patricia for her significant contribution to the British Home over her twenty-three years of service. Patricia provided great guidance and insight into all clinical matters concerning British Home, specifically in relation to quality assurance and resident care.

### 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; and
- ◆ 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.

**Board Responsibilities Statement** (continued)

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 formally in each quarter of the last financial year, and also held its annual away day to review the charity's strategic plan. At 31 March 2023 the Board comprised 9 members who held office throughout the year, with a further three new members appointed in November 2022. As previously noted, Patricia Collinson and Rowenna Hughes retired from the Board during the year.

Trustees did not receive any remuneration for services as a member of the Board.

**Board Committee Structure**

The Board periodically reviews its governance committee structure, 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 clinical experience to review the provision of care and therapy 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, service improvement, safe practice, and regulatory compliance.

**Finance Committee**

The Finance Committee has delegated responsibility from the Board to oversee and review 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.

Since the pandemic, the recruitment of care staff within a challenging market has emerged as the Charity's key strategic risk. The Finance Committee continues to review staff salaries and benefits to ensure that these remain competitive and to advise the Remuneration and Nominations Committee in this regard.

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

### ***Redevelopment Oversight Committee***

In November 2020 the Board agreed the terms of reference for a new Redevelopment Oversight Committee, to review the options for the refurbishment, or re-provision of the British Home. A feasibility study was commissioned in late 2021 to explore the options for monetising part of the existing site to meet development costs. The initial findings of the study determined that current market conditions are as such, that the full costs of any refurbishment would not be met by part-sale of the existing site. In view of this, the Committee continue to explore further options to develop a new, state-of-the-art facility for British Home's residents. This will include a significant capital fundraising programme as well as further consideration to a new development on an alternative site if this proves more viable.

### ***Remuneration and Nominations Committee***

The Remuneration and Nominations Committee has oversight of 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, as well as the annual review of staff salaries and benefits.

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

The Board annually reviews the mix of skills and experience of its members and seeks new Trustees where specific 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.

In November 2022, the Board appointed three new Trustees in line with its succession plan.

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 the Director of Finance and Resources.

**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 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 and registered social landlord.

**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 Accountants and holds a further degree in strategic business management.

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

***Management of British Home*** (continued)

**Victoria Fields (MSc)** is the Director of Care at British Home. Qualifying as a Midwife in 2013, Victoria developed an interest in brain injury, mental health, and complex families. She went on to complete her postgraduate diploma to become a Specialist Community Public Health Nurse. Later in her career Victoria worked in brain injury and autism technology before focusing more on Operations and leadership in the brain injury and neuro- disability sector.

**Aims Objectives and Strategy**

British Home provides specialist nursing and rehabilitation to adults living with neuro disability. This will typically include people living with severe impairment often resulting from 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 rehabilitation, enabling them to live as full and independent lives as possible. British Home also provides end of life care, 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, due to the increasing complexities of residents over the last several years, the number of commissioned units has been reduced to achieve a more optimum operational capacity of 80 beds This includes beds for both fast-stream and longer-term rehabilitation, as well as palliative care and respite.

During the pandemic, the average occupancy within the service reduced significantly due to higher mortality rates amongst residents and delayed discharge from referring agencies. Since the end of the pandemic, we have continued to receive referrals for residents with increasingly more complex needs. This has resulted in more time needed to plan for admissions which has impacted on bed occupancy. Average occupancy over the last year on this basis was 85% or 68 residents (2022 – 88% or 70 residents).

In February 2023, the Board reviewed 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, 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. The Board remains committed to its objective of developing Specialist Level -2b rehabilitation beds within British Home. In addition to this, we will continue to support more people to manage their conditions more effectively, with an emphasis on increased independence, pain relief and greater enjoyment of life (including those approaching end of life).

***Public benefit***

In setting the charity's objectives the trustees have considered 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 provides additional rehabilitation and social support to residents from its own charitable funds and through specific fundraising initiatives.

### **Aims Objectives and Strategy** (continued)

#### ***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; and
- ◆ are committed to the highest standards and will embrace innovation and models of best practice.

#### ***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. Residents at British Home are continually assessed by a multi-disciplinary team comprising of clinical staff and therapist to ensure they receive an appropriate service offer commensurate with their individual needs. We work with residents and their families to develop personalised care plans, ensuring that they direct and control the care we provide. 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. We continue to work with residents receiving palliative care to develop 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 Registered 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. British Home is currently undergoing re-accreditation for the Gold Standard Framework as of June 2023.

## **Aims Objectives and Strategy** (continued)

### ***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 considers 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 has guided British Home's 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 no longer require the level of specialist nursing and support provided within the Home.

In recent years the health and social care sector has experienced significant challenges around recruitment and retention of experienced care staff. British Home is not immune to this, and over the last year the recruitment of skilled staff into British Home has emerged as a key risk for the charity. The Executive Team has introduced a range of measures to attract talented staff and to reduce its dependency on temporary workers, with some success. However, this has not been without significant cost as the Charity has sought to increase salaries and benefits to attract skilled workers within a competitive market. Over the next year, the Executive Team will engage with local Integrated Care Partnerships to ensure that care fees reflect the demands of local labour markets, and that British Home remains able to attract and retain highly skilled and experienced staff.

### ***Volunteers & Carers***

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 Board remain grateful for the significant contribution that all of our volunteers make to the charity and its residents.

British Home also 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.

### ***Fundraising***

The shortfall in our operating income, as noted earlier, is made up in part from generous donations and legacies bequeathed to the Home. British Home is reliant on voluntary contributions to provide resources and develop innovation to improve the lives of everyone we support. The Board are grateful for all charitable contributions from our generous donors and would like to pay particular thanks to the following Trusts and individuals for their continued support:

**Aims Objectives and Strategy** (continued)

***Fundraising*** (continued)

Eunice Helen Johnson Trust  
J H Bartlett Charity  
Baroness D M Camburn Trust  
Metropolitan Hospital Saturday Fund  
Bothwell Charitable Trust  
Gilbert & Eileen Edgar Foundation  
I V Askew Charitable Trust

The Board would also like to thank all who have donated to British Home in memory of loved ones and to the many people have supported us with a legacy in their Will.

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.

***Environmental, Social and Governance***

Since its inception British Home has provided care and support to some of the most vulnerable people within its community. We remain proud of the public benefit we continue to provide to severely disabled people, and we also recognise the wider role we can and should play towards reducing our environmental impact, increasing diversity and inclusion, and ensuring strong and ethical governance practices.

The charity continues to ensure that its investments are managed in compliance with ESG criteria, through dedicated funds in line with Charity Commission Guidance. Over the next two years we will continue to build upon this commitment to ESG practices in a variety of ways; from how we manage our carbon footprint, including procuring services and influencing our suppliers' environmental practices; to how we ensure the welfare of our staff and increase opportunity and diversity across our workforce.

***Recruiting and developing local people***

In light of the current skills shortages affecting the health and social care sector, British Home partnered with The Green Man Skills Zone, a local community project supporting unemployed people to improve their skills, by raising awareness of the services that are available in the borough to support them. This initiative is designed in conjunction with the government Skills Bootcamp initiative which aims to provide prospective workers with up to 5 weeks of training to improve their employability within their chosen field. British Home is a very proud of its history as a local employer and through its partnership with the Green Man the charity has employed 10 local people into care roles. Each of these staff were supported by British Home's Care Trainer, who provided ongoing support and mentorship throughout their induction, ensuring that they built up the required confidence and experience to practice their roles safely and competently.



## Financial review

### *Performance in the year*

The operating deficit for the period was £2,500,523 (2022 – £1,977,961) as shown in the table below:

	2023 £	2022 £
Fees	5,482,299	4,833,020
Less: Expenditure	<u>(7,982,822)</u>	<u>(6,810,981)</u>
<b>Operating deficit</b>	<b>(2,500,523)</b>	<b>(1,977,961)</b>
Donations	72,785	159,224
Investment income	359,415	362,118
Other Income	<u>14,828</u>	<u>303,638</u>
<b>Deficit before legacies</b>	<b>(2,053,495)</b>	<b>(1,152,981)</b>
Legacies	<u>212,621</u>	<u>130,669</u>
<b>Net expenditure for the period before investment gains and losses</b>	<b><u>(1,840,874)</u></b>	<b><u>(1,022,312)</u></b>

a) *Fees*

Income from fees charged increased by 13% to £5,482,299 (2022 – £4,833,020). The decrease in average occupancy as a result of impact of the 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 for longer term residents and only by a small number of funders putting continued pressure on the charity's resources.

b) *Expenditure*

Expenditure in 2023 increased by 17% to £7,982,822 (2022 – £6,810,981).

Within this total, staffing costs amounted to £4,179,929 (2022 – £3,771,193) an increase of £408,736. 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 £147,377 (2022 – £190,514). 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 £72,785 (2022 – £159,224). In the current year we received large donations from Eunice Helen Johnson Trust and J H Bartlett Charity Trust. The charity also raised £3,000 restricted donations for the replacement of the Charity's minibuses. We are 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 over the prior year to £212,621 (2022 – £130,669). 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, £21,044 (2022 – £109,000) 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.

***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.

In February 2018 the trustees decided to withdraw from the scheme and a total liability of approximately £1,788,000 crystallised. This quotation 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.

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.

**Financial review (continued)**

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

The net assets of British Home at 31 March 2023 were £11,773,668 (2022 – £14,214,997). Of these £633,504 (2022 – £569,654) 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 2023 were £3,224,687.

***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 had a significant impact on the charity's reserves 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 2022/23 the British Home held £12,063,705 in investments which were otherwise unrestricted reserves. These funds were split between general reserves £3,224,687 and £8,533,504 designated funds for fixed assets, 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 designated £2M of its reserves to this fund, in the event that major repairs are required to the building's infrastructure.

***Investment policy and performance***

The investment objective of the Board is to maintain the real value of the fund over time whilst generating a stable and sustainable return on investments in the form of dividend payments to supplement the charity's income. The Finance Committee has responsibility for agreeing strategy and monitoring the investment assets. The committee meets quarterly and reviews the portfolio's performance.

**Financial review** (continued)

***Investment policy and performance*** (continued)

The market value of the portfolio at 31 March 2023 was £11,713,705 (2022 – £13,801,164 and 2021 – £14,491,862). This is a book valuation and may differ significantly from the price achieved when the funds are sold. The value of the portfolio fell during the year because of withdrawals to cover cash shortfalls arising from the deficit. The amounts drawn down on 31 March 2023 were £1,500,000 (2022 – £500,000 and 2021 – £2,500,000). The underlying investment performance showed net unrealised investment losses of £600,455 for the year, (2022 – £651,943 gains and 2021 – £2,496,626 losses) reflecting the change in market value of investments since 31 March 2022. The income produced from these investments amounted to £359,415 (2022 – £362,042 and 2021 – £419,585).

Whilst the charity's funds are of a sufficient size to have a segregated portfolio, the Trustees decided, after a review some years ago, to invest in pooled and common investment funds for charities. The saving in costs is considerable but it means that the charity loses its power to directly influence and control the underlying investments made or the detail of the Environmental, Social and Governance (ESG) policies to be followed.

The two funds in the portfolio are the COIF Charity Investment and Fixed Income Funds, managed by CCLA, and the Sarasin Consolidated Alpha Fund for Endowments, managed by Sarasin & Partners. Both these managers are mindful of the ethical concerns of their charity clients and pursue active ESG research. This research informs not just asset allocation, assessment of risk and stock selection but also how they vote the shares they buy. Both managers talk to the management of those companies to raise concerns. Both managers publish detailed ESG policies and descriptions of how they assess risk. Both managers also present annually to the Finance Committee illustrating the analysis of the financial return, risk, asset allocation, the funds' performance against agreed market benchmarks, and the investment objectives.

**Future plans**

In February of 2023, the Board of British Home revised the charity's 5-year strategic plan. Our new strategy 2023-2026, has been developed to focus on what we do well today and make it even better. We will provide high quality specialist neuro rehabilitation to a local and wider population. As the complexity of resident care increases, we will expand our offer to new cohorts of residents including specialist Level- 2 provision which provides a much greater therapeutic input to residents who will benefit from this higher level of intervention. These new services will complement our existing provision of longer-term rehabilitation and palliative care and we will continue to invest in these areas as we progress our strategy.

As part of this strategy, we will continue to work towards a long-term solution for redeveloping our building to provide a state-of-the-art care facility . This will include new infrastructure and in-house facilities that will enable us to incorporate the latest technologies to support people with their rehabilitation. Furthermore, we will consult with our residents and staff to create a more modern and therapeutic environment for all who live and work at British Home.

**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.

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

Trustee

Approved on:

13<sup>th</sup> September 2023

Kay Sonneborn

**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 2023 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 2023 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 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.

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 funds held for residents;



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

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

- ◆ 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](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.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 18 October 2023

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 2023

	Notes	Un-restricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
<b>Income from:</b>						
Donations and legacies	1	282,406	3,000	—	285,406	289,893
Investment income	2	359,415	—	—	359,415	362,118
Charitable activities	3	5,482,299	—	—	5,482,299	4,833,020
Other income	4	14,828	—	—	14,828	303,638
<b>Total income</b>		<b>6,138,948</b>	<b>3,000</b>	<b>—</b>	<b>6,141,948</b>	<b>5,788,669</b>
<b>Expenditure on:</b>						
Raising funds	5	147,377	—	—	147,377	190,514
Charitable activities	6	7,835,445	—	—	7,835,445	6,620,467
<b>Total expenditure</b>		<b>7,982,822</b>	<b>—</b>	<b>—</b>	<b>7,982,822</b>	<b>6,810,981</b>
<b>Net (expenditure) income for the year before investment (losses) gains</b>		<b>(1,843,874)</b>	<b>3,000</b>	<b>—</b>	<b>(1,840,874)</b>	<b>(1,022,312)</b>
<b>(Losses) gains on investments</b>	12	<b>(600,455)</b>	<b>—</b>	<b>—</b>	<b>(600,455)</b>	<b>651,943</b>
<b>Net (expenditure) income and net movement in funds</b>		<b>(2,444,329)</b>	<b>3,000</b>	<b>—</b>	<b>(2,441,329)</b>	<b>(370,369)</b>
<b>Fund balances brought forward at 1 April 2022</b>		<b>14,202,520</b>	<b>—</b>	<b>12,477</b>	<b>14,214,997</b>	<b>14,585,366</b>
<b>Fund balances carried forward at 31 March 2023</b>		<b>11,758,191</b>	<b>3,000</b>	<b>12,477</b>	<b>11,773,668</b>	<b>14,214,997</b>

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

Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible fixed assets	11		633,504		569,654
Investments	12		12,063,705		14,151,164
			<u>12,697,209</u>		<u>14,720,818</u>
<b>Current assets</b>					
Debtors	13	563,729		571,041	
Cash at bank	21	567,203		856,640	
		<u>1,130,932</u>		<u>1,427,681</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,054,473)</u>		<u>(1,933,502)</u>	
<b>Net current (liabilities)</b>			<u>(923,541)</u>		<u>(505,821)</u>
<b>Net assets</b>			<u>11,773,668</u>		<u>14,214,997</u>
<b>The funds of the charity:</b>					
Endowment fund	16		12,477		12,477
Restricted funds	17		3,000		—
Unrestricted funds					
. Designated funds	18		8,533,504		8,469,654
. General fund			<u>3,224,687</u>		<u>5,732,866</u>
			<u>11,773,668</u>		<u>14,214,997</u>

Approved by the Board of Trustees on 13/9/23 and signed on its behalf by:

Trustee

Kay Sonneborn

David Green

**Statement of cash flows** 31 March 2023

	Notes	2023 £	2022 £
<b>Cash outflow from operating activities:</b>			
Net cash used in operating activities	A	<u>(1,935,261)</u>	<u>(1,150,695)</u>
<b>Cash inflow from investing activities</b>			
Dividends and interest from investments		359,415	362,118
Sale of investments		1,500,000	500,000
Purchase of fixed assets		<u>(200,595)</u>	<u>(369,844)</u>
<b>Net cash provided by investing activities</b>		<u>1,658,820</u>	<u>492,274</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(276,441)</b>	<b>(658,421)</b>
<b>Cash and cash equivalents at 1 April 2022</b>	B	<b>1,906,433</b>	<b>2,564,854</b>
<b>Cash and cash equivalents at 31 March 2023</b>	B	<u><b>1,629,992</b></u>	<u><b>1,906,433</b></u>

**Notes to the cash flow statement for the year to 31 March 2023.**

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

	2023 £	2022 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(2,441,329)</b>	<b>(370,369)</b>
<b>Adjustments for:</b>		
Depreciation charge	136,745	138,809
Losses (gains) on investments	600,455	(651,943)
Dividends and interest from investments	<u>(359,415)</u>	<u>(362,118)</u>
Decrease in debtors	7,312	9,145
Increase in creditors	<u>120,971</u>	<u>85,781</u>
<b>Net cash used in operating activities</b>	<u><b>(1,935,261)</b></u>	<u><b>(1,150,695)</b></u>

**B Analysis of cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	567,203	856,640
Cash held by investment managers	<u>1,062,789</u>	<u>1,049,793</u>
<b>Total cash and cash equivalents</b>	<u><b>1,629,992</b></u>	<u><b>1,906,433</b></u>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## Principal accounting policies Year to 31 March 2023

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 2023 with comparative information provided in respect to the year ended 31 March 2022.

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;
- ◆ valuation of the investment land;
- ◆ 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.

## Principal accounting policies Year to 31 March 2023

### **Assessment of going concern (continued)**

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 2023 the charity had net current liabilities of £923,541 (2022 – £505,821). The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due by drawing down on the investment funds when required. 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 2024, 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.

**Expenditure and the basis of apportioning costs** (continued)

- 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 £42m at 31 March 2023 (at 31 March 2022 – £37m).

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
◆ Computer 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.

Land held for investment is included in these accounts at fair value based on open market value. The land was last valued formally in January 2019 by Montagu Evans.

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.

## Principal accounting policies Year to 31 March 2023

### **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 £	2023 £
Donations inclusive of reclaimed tax	69,785	3,000	72,785
Legacies	212,621	—	212,621
<b>Total 2023</b>	<b>282,406</b>	<b>3,000</b>	<b>285,406</b>

  

	Unrestricted £	Restricted £	2022 £
Donations inclusive of reclaimed tax	159,224	—	159,224
Legacies	130,669	—	130,669
<b>Total 2022</b>	<b>289,893</b>	<b>—</b>	<b>289,893</b>

**2 Investment income**

	Unrestricted funds	
	2023 £	2022 £
Sarasin – CIF ALPHA fund units	183,710	184,147
COIF – Investment fund income units	174,259	177,895
	<b>357,969</b>	<b>362,042</b>
Interest receivable	1,446	76
<b>Total 2023</b>	<b>359,415</b>	<b>362,118</b>

**3 Income from charitable activities**

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

**4 Other Income**

	Unrestricted funds	
	2023 £	2022 £
Other	1,828	—
COVID-19 Sustainability Payment	—	303,638
Digitising social care fund (DSCF)	13,000	—
	<b>14,828</b>	<b>303,638</b>

**5 Expenditure on raising funds**

	Unrestricted funds	
	2023 £	2022 £
Other costs (including staff costs)		
. Direct costs	96,813	145,477
. Support costs	50,564	45,037
	<b>147,377</b>	<b>190,514</b>

## 6 Expenditure on charitable activities

	Unrestricted £	Restricted £	2023 £
Medical and nursing services			
. Direct costs	5,101,598	—	5,101,598
. Support costs	2,733,847	—	2,733,847
	<u>7,835,445</u>	<u>—</u>	<u>7,835,445</u>
	Unrestricted £	Restricted £	2022 £
Medical and nursing services			
. Direct costs	4,146,226	—	4,146,226
. Support costs	2,474,241	—	2,474,241
	<u>6,620,467</u>	<u>—</u>	<u>6,620,467</u>

## 7 Analysis of support costs

	Raising funds £	Charitable activities £	2023 £
Staff costs	22,645	860,212	882,857
Administration	7,482	225,454	232,936
Housekeeping – fuel & rates	2,725	224,361	227,086
Housekeeping – other	13,059	851,381	864,440
Depreciation	881	135,865	136,746
Repairs & maintenance	—	196,495	196,495
Insurance	1,172	96,462	97,634
Other costs	1,563	58,234	59,797
Governance costs	1,037	85,383	86,420
<b>Total support costs</b>	<u>50,564</u>	<u>2,733,847</u>	<u>2,784,411</u>
	Raising funds £	Charitable activities £	2022 £
Staff costs	20,252	772,639	792,891
Administration	7,661	226,017	233,678
Housekeeping – fuel & rates	2,285	188,117	190,402
Housekeeping – other	10,234	770,268	780,502
Depreciation	968	137,840	138,808
Repairs & maintenance	—	138,904	138,904
Insurance	1,092	89,910	91,002
Other costs	1,475	62,456	63,931
Governance costs	1,070	88,090	89,160
<b>Total support costs</b>	<u>45,037</u>	<u>2,474,241</u>	<u>2,519,278</u>

Included within governance costs is auditor's remuneration of £28,200 (2022 – £24,300) and £55,620 (2022 – £15,000) for professional fees which included strategy development work and trustee recruitment.

**8 Staff costs**

	2023 £	2022 £
Wages and salaries	3,587,988	3,266,091
Social security costs	378,402	322,318
Pension costs	204,930	182,784
Redundancy costs	8,609	—
	<u>4,179,929</u>	<u>3,771,193</u>

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

	2023 Number	2022 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	—	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* 2023	Head Count 2023	FTE* 2022	Head Count 2022
*Full time Equivalent				
Nursing and care	84	127	89	106
Maintenance	3	5	3	7
Reception and portering	4	4	3	5
Management and administration	10	13	11	14
	<u>101</u>	<u>149</u>	<u>106</u>	<u>132</u>

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 11/ Head Count 18 (2022 FTE 13 / Head Count 21).

***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 (2022 – £nil).

During the year, the total remuneration, including pension contributions and employer's national insurance contributions, of key management personnel was £344,739 (2022 – £299,800).

**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 (2022 – £2,000,000) and the insurance premium paid by the Home during the year totalled £2,555 (2022 – £1,581).

Donations from trustees totalled £120 (2022 – £140).

## 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 £
<b>Cost</b>					
At 1 April 2022	3,654,766	217,280	113,548	15,980	4,001,574
Additions	124,333	—	76,262	—	200,595
At 31 March 2023	3,779,099	217,280	189,810	15,980	4,202,169
<b>Depreciation</b>					
At 1 April 2022	3,276,194	68,450	77,688	9,588	3,431,920
Charge for the year	73,411	41,374	18,764	3,196	136,745
At 31 March 2023	3,349,605	109,824	96,452	12,784	3,568,665
<b>Net book values</b>					
At 31 March 2023	429,494	107,456	93,358	3,196	633,504
At 31 March 2022	378,572	148,830	35,860	6,392	569,654

At 31 March 2023 the trustees had committed to but not contracted for expenditure of £34,056 in respect to a project to upgrade the water tank.

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 2023 comprised the following:

	Investment property £	Listed investments £	2023 £
Market value at 1 April 2022	350,000	12,751,371	13,101,371
Disposals at opening book value	—	(1,500,000)	(1,500,000)
Net loss	—	(600,455)	(600,455)
Market value at 31 March 2023	350,000	10,650,916	11,000,916
Cash held by investment advisors for re-investment	—	1,062,789	1,062,789
Total investments	350,000	11,713,705	12,063,705
Historical cost of investments at 31 March 2023	—	8,810,854	8,810,854

**12 Investments** (continued)

	<i>Investment property</i> £	<i>Listed investments</i> £	2022 £
<i>Market value at 1 April 2021</i>	350,000	12,599,428	12,949,428
<i>Disposals at opening book value</i>	—	(500,000)	(500,000)
<i>Net gains</i>	—	651,943	651,943
<i>Market value at 31 March 2022</i>	350,000	12,751,371	13,101,371
<i>Cash held by investment advisors for re-investment</i>	—	1,049,793	1,049,793
<i>Total investments</i>	350,000	13,801,164	14,151,164
<i>Historical cost of investments at 31 March 2022</i>	—	8,713,910	8,713,910

The investment property is a share in land held on behalf of five charities. The valuation is at trustees' assessment based on a professional valuation by Montagu Evans in January 2019.

**13 Debtors**

	2023 £	2022 £
Fee debtors	442,872	367,843
Prepayments and accrued income	120,857	203,198
	563,729	571,041

Prepayments and accrued income at 31 March 2023 include legacies of £21,044 (2022 – £109,000).

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

	2023 £	2022 £
Trade creditors	126,351	212,230
Amounts held on behalf of residents	56,245	58,039
Accruals and deferred income	568,181	479,204
Social security and other taxation	204,295	160,627
Other creditors	321,401	245,402
Liability on withdrawal from pension scheme	778,000	778,000
	2,054,473	1,933,502

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 2023/24 which can be analysed as follows:

	2023 £	2022 £
Deferred income brought forward	162,844	195,639
Deferred in the year	113,944	162,844
Released in the year	(162,844)	(195,639)
Deferred income carried forward	113,944	162,844

### 15 Operating lease commitments

At 31 March 2023, the Charity had the following total commitments under operating leases on plant and machinery as follows:

	2023 £	2022 £
Amounts payable:		
Within one year	4,281	4,281
In two to five years	—	4,281
	<u>4,281</u>	<u>8,562</u>

### 16 Endowment fund

	2023 £	2022 £
The D.O. Beale Trust	<u>12,477</u>	<u>12,477</u>

### 17 Restricted fund

In the year to 31 March 2023 the charity received £3,000 in restricted funds (2022 – none). The funds are to be used towards new minibuses.

### 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 2022 £	Released/ added in year £	New designations £	At 31 March 2023 £
Tangible fixed assets fund	569,654	(136,746)	200,596	633,504
Continuity of Care fund	5,900,000	—	—	5,900,000
Major and Cyclical Maintenance fund	2,000,000	(18,847)	18,847	2,000,000
	<u>8,469,654</u>	<u>(155,593)</u>	<u>219,443</u>	<u>8,533,504</u>

  

	At 1 April 2021 £	Released/ added in year £	New designations £	At 31 March 2022 £
<i>Tangible fixed assets fund</i>	338,618	231,036	—	569,654
<i>Continuity of Care fund</i>	5,900,000	—	—	5,900,000
<i>Major and Cyclical Maintenance fund</i>	2,000,000	(12,100)	12,100	2,000,000
	<u>8,238,618</u>	<u>218,936</u>	<u>12,100</u>	<u>8,469,654</u>

#### ***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.

## 18 Designated funds (continued)

### *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

	Restricted fund £	Endowment fund £	Designated funds £	General fund £	Total 2023 £
<b>Fund balances at 1 March 2023 are represented by:</b>					
Tangible fixed assets	—	—	633,504	—	<b>633,504</b>
Investments	—	12,477	7,900,000	4,151,228	<b>12,063,705</b>
Current assets	3,000	—	—	1,127,932	<b>1,130,932</b>
Creditors: amounts falling due within one year	—	—	—	(2,054,473)	<b>(2,054,473)</b>
<b>Total net assets</b>	<b>3,000</b>	<b>12,477</b>	<b>8,533,504</b>	<b>3,224,687</b>	<b>11,773,668</b>
		<i>Endowment fund £</i>	<i>Designated funds £</i>	<i>General fund £</i>	<i>Total 2022 £</i>
<i>Fund balances at 31 March 2022 are represented by:</i>					
<i>Tangible fixed assets</i>		—	569,654	—	569,654
<i>Investments</i>		12,477	7,900,000	6,238,687	14,151,164
<i>Current assets</i>		—	—	1,427,681	1,427,681
<i>Creditors: amounts falling due within one year</i>		—	—	(1,933,502)	(1,933,502)
<i>Total net assets</i>		<b>12,477</b>	<b>8,469,654</b>	<b>5,732,866</b>	<b>14,214,997</b>

## 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 2022 is £778,000. The estimated liability is based on information provided by the trustees' professional advisors and Aviva, the insurers.

**20 Pension commitments** (continued)

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 £567,203 on 31 March 2023 (2022 – £856,640) includes £56,245 held on behalf of the residents of the Home (2022 – £58,039). A corresponding liability for these monies is included in creditors (note 14).