

**The British
Home and
Hospital for
Incurables**

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

31 March 2018

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
Chairman	Mrs Kay Sonneborn BA
Deputy Chairman	Mr David Green MA (Cantab)
Board of Trustees	Ms Eleanor Brown (co-opted 11 May 2016) Mrs Patricia Collinson, Dip NUR, RNT Mr Kenneth Dunn MA, DipMS Mr David Green MA (Cantab), FRSA Ms Alison Hughes RN, MHSM Mrs Rowenna Hughes GradDip MCSP, SRP Mr James Mill TD, CA Mr Derek Prentice Mrs Kay Sonneborn BA Mr Dennis Vine FRICS Mr Paul Perkin
Chief Executive Officer to the Board	Mr Paul Perkin
Director of Care and Development	Mr Keith Crowhurst RN
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
80 Cheapside
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 Bilfinger GVA
65 Gresham Street
London
EC2V 7NQ

The Board of Trustees ('the Board') presents the statutory report and financial statements of The British Home and Hospital for Incurables ('The British Home') for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 26 and comply with The 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).

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 The 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;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that The 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 The British Home and which enable it to ensure that the financial statements comply with the Charities Act 2011. The Board is also responsible for safeguarding the assets of The 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.

Composition of the Board of Trustees



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

Deputy Chairman: 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.



Eleanor Brown

Eleanor has considerable board level experience and a clinical background having worked as a senior executive in a 38 year career with the NHS retiring in 2015. Most recently Eleanor was Chief Officer, Merton Clinical Commissioning Group Accountable for the commissioning and quality of services to the population of the London Borough of Merton. Previous posts include Chief Executive, Nelson Commissioning Group, Director for Primary Care, Bromley Primary Care Trust and Director for Organisational Development, Lambeth Primary Care Group. Eleanor has a particular interest in end of life care.

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.



Composition of the Board of Trustees (continued)

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.

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 chairman 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 the 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, he is also the Vice Chair of the Lay Group of the Academy of Royal Medical Colleges.

Derek has been 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)

Dennis Vine



Dennis began his career as a surveyor for local government, starting at Ealing Borough Council in 1954 and moving to Westminster City Council in 1960. He then moved to the private sector with Vigers Chartered Surveyors (now GVA) in 1962 and worked there until 1998. He was appointed a Freeman of the City of London in 1987 and is a Grand Vice-President of the Royal Masonic Benevolent Institute.

Structure, governance and management

The 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 The British Home rests with the Board who are the trustees of the charity for the purposes of charity legislation.

The 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 6 times in the year to 31 March 2018 and more informally on a number of occasions to discuss The British Home's future strategy. At 31 March 2018 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 (2017 - £ nil). Travel expenses of £208 were reimbursed in the year (2017 - £nil).

Trustee recruitment, induction and training

The Board from time to time reviews the mix of skills and experience of its members and seeks new trustees where particular skill gaps are identified. There were no appointments to the Board in the year to 31 March 2018 and no Trustees were due for re-election within the last year

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.

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 have the opportunity to hear first-hand from residents, staff and families about the quality of service being provided.

Structure, governance and management (continued)

Redevelopment Sub-Committee

The Board established a fully constituted sub-committee in December 2016 to take responsibility for the first stage of a redevelopment programme with the ultimate aim of selecting a preferred development partner and concluding the negotiations on a development agreement. The sub-committee have made significant progress over the last year and it is expected that a final draft of the development agreement and corresponding designs for the new facility will be submitted to the Board for final approval before the end of the Summer 2018.

Once the Board have agreed a development agreement with the preferred developer it will establish a new Development Completion sub-committee to oversee the delivery of the project. This sub-committee will also be fully constituted and hold delegated powers from the Board to ensure the construction and practical completion of the new development, as well as service continuity to our residents over the period of the development programme.

Care Governance Committee:

The Care Governance Committee provides assurance to the Board by having Trustees with relevant health and social care experience to review the provision of care in the Home, and to offer support and guidance to the Director of Care in this regard. In May 2018, the Care Governance Committee proposed a new quality assurance framework to ensure that positive health outcomes and resident safety remains at the heart of the support provided by the British Home. This new quality assurance framework was agreed by the Board and the Care Governance Committee will continue to review performance against the revised quality indicators, to drive continuous improvement and resident satisfaction across our care services.

Revised Committee Structure:

In March 2018 the Board undertook a review of its current structure to prepare for a number of emerging strategic priorities for the British Home. The Board agreed to reprise a Finance Committee to oversee the financing of the new care facility and to further support the charity in its ambition to broaden and diversify its service portfolio and develop new income streams.

The Board also agreed to re-constitute the Remuneration and Appointment Committee to ensure that the remuneration of a growing executive team, remains in line with the charity's strategic aims, as well as the appointment of new Trustees to the Board.

Management of The British Home

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

Structure, governance and management (continued)

Management of The British Home (continued)

Mr Paul Perkin (BA Hons) is the Chief Executive Officer of The British Home. Paul took up this new post in April 2017. Paul has over seventeen years' experience within the social care and housing sector and joined the British Home following his most recent role as Director of Operations for Look Ahead Care, Support and Housing. 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.

Mr Keith Crowhurst RN (MSc) is the Director of Care and Development. Keith took up this new role with effect from May 2017 to support The 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 a MSc. from University College London and has written and lectured on care matters.

The Director of Care is supported by a Deputy Home Manager and three Clinical Leads to ensure a high standard of nursing care and to drive continuous improvement across clinical services. Management performance is assessed annually. Any increase in remuneration is no greater than the equivalent annual award to staff as a whole.

Mr Larry Gunning was first appointed to support the Board on all financial and regulatory matters and was later appointed to Director of The British Home in 2014, a position he has held on a part time basis until May 2017. The Director had held overall responsibility to the Board for the operation and development of The British Home in collaboration with the MHA Care Group

Larry retired in May 2017 and the staff and Trustees would like to extend our gratitude for his significant contribution to the charity over the last 10 years, and more recently for his insight and expertise in supporting the development of the business case for the re-provision of a new care facility.

MHA Care Group

In April 2015 the British Home entered into a further agreement with the MHA Care Group (MHA is part of the Methodist Housing Association) through to 31st of March 2018, for oversight of the day to day running of the Home.

At the beginning of 2017 the Board agreed to invest further resources into the management structure of The British Home including reprising the role of Chief Executive Officer and introducing a new Director of Care to prepare for the Charity's future strategic aims and the transition into a new facility.

The British Home and MHA agreed not to renew the support contract beyond its termination date at the end of March 2018. In creating a new, in-house management structure within the Home, it is expected that further financial and operational efficiencies will be realised over the next year. The Board would like to express their gratitude to MHA for the support provided to the British Home over the last nine years and for their valuable contribution to the charity's work over that time.

Our Values

As the British Home moves towards an exciting future including the development of a new care facility and the introduction of new and innovative models of care, the time is right to review our organisational values. Our values demonstrate the character, beliefs and aspiration of the British Home and provide our residents with a clear set of expectations about the care and service they can expect.

The management team have held a comprehensive consultation with residents and families to develop a new set of organisational values that represent the British Home's current approach to care and future aspirations. These new values will be formally rolled out in the July 2018 and will shape and inform every aspect of how we deliver care and support. These values will also provide a framework for the recruitment and induction of new staff as well as the ongoing training and appraisal of all who work at the British Home.

Aims Objectives and Strategy

The British Home provides nursing care, rehabilitation and social support to adults with a neuro-disability. This will typically include people living with severe impairment as a result of brain injury 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. The 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.

The British Home is registered to look after a maximum of 127 residents, however The Board agreed in 2013 to decommission 49 beds to ensure an optimum effective operational capacity of 78 beds, and to ensure that all available accommodation continues to meet our aspirational standards. Average occupancy over the year on this basis was 97% or 76 residents (2017 – 97% or 76 residents).

Over the last year the British Home provided care to 116 people including 8 residents requiring short-term respite and 10 residents who received end of life care. There were 63 residents who received physio therapy and rehabilitation support last year, of which 53 were funded exclusively through charitable donations. A further 34 residents benefited from alternative therapies including reflexology and massage, which was also funded through charitable donations.

The British Home maintained a quality grading of 'good' by the CCQ in September 2017 which highlighted that, 'staff were considerate, compassionate and treated residents with dignity and respect'. The Board would like to thank our staff for their tireless commitment to supporting our residents and maintaining the highest standards of care within the Home. The British Home is also accredited through the National Gold Standard Framework to provide palliative care.

Aims Objectives and Strategy (continued)

The Board believes that The British Home continues to meet the Charity Commission's public benefit test principally in that the majority of residents in The British Home have for many years benefited from the availability of statutory funding. The charity subsidises the running cost of The British Home and provides a range of additional support to residents out of its own charitable funds.

Re-development

The Board has agreed that the current operational model where the fees charged do not cover the cost of providing care in an expensive to maintain building, is not sustainable and has announced its intention to build a new care home as part of an ambitious vision that would see the redevelopment of the existing site at Crown Lane. As the 2018 financial results continue to evidence, The British Home incurs an 'operating loss' in excess of £1m per annum and relies on the goodwill of charitable donations and legacies along with investment returns to offset this. Such a level of loss is not sustainable and The Board has concluded the financial modelling for the new care facility which will ensure operating efficiencies and therefore provide the charity with an economically viable future.

Personalised Support

At the British Home, we recognise that each residents 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. Wherever possible we aim to work with residents and their families to develop personalised care plans, ensuring that they can continue to direct and control the care they receive.

We continue to build on our approach to ensuring even greater resident involvement in every aspect of the support they receive. We recognise that our residents are 'experts by experience' in both their conditions and also in determining what great care should look like. Over the next year we will further our work around resident engagement through the introduction of a Resident and Families Advisory Group, who will work closely with the executive team and the Board to continuously develop and improve our care and support services for people with neuro-disabilities.

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, The British Home maintains a comprehensive suite of insurance policies.

The Board attended 'Risk Management for Trustees' at its annual away day in March 2018, which was facilitated by a specialist advisor from Buzzacott's. This training was particularly focused on the emerging risks associated with the development of the new care facility.

Aims Objectives and Strategy (continued)

Risk management (continued)

The Board consider the 'failure to deliver a new care facility' 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 Board has developed a separate risk and impact assessment for the new development in consultation with its specialist advisors GVA and Hogan Lovell. The Redevelopment Oversight Committee, along with our advisors, continue to review and consider all risks associated with the new development as negotiations with the preferred developer continue.

Volunteers

Our volunteers and The Friends of The British Home continue to provide much appreciated support to our residents through their involvement in a wide range of activities from running the in-house shop, providing social stimulation to residents and accompanying them on outings, maintaining our gardens, as well as supporting our fundraising activities. Over the last year a number of students from local schools including St Joseph' Boys College School and Trinity School supported a range of activities and fundraising at the Home. As the Home continues to develop relationships with local businesses, there were a number of employees who generously contributed their time to the residents of the Home through a range of activities as well as financial sponsorship of our local summer fayre. Additionally, a number of church groups provide pastoral support to our residents.

Activities and social interaction

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

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

Fundraising

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

Over the last year, the British Home employed a fundraising consultant on a part-time basis and fundraising activity was limited to local events. The British Home did not actively pursue donations from individuals and can confirm that no complaints were received in relation to how the charity conducted its fundraising activity.

Aims Objectives and Strategy (continued)

Fundraising (continued)

As the Board look to secure our future through the development of a new care facility this will require a significant draw on our reserves to contribute towards the anticipated development costs. As stated below, the Board expended £1.01M of its reserves to facilitate a buy-out of its closed, defined benefit pension scheme, to protect the charity from any future financial liabilities associated with this scheme. The total liability provided for at 31 March 2018 is £1,788,000 and the balance of £778,000 is included within creditors.

Through a combination of these factors, along with a continually challenging commissioning environment, it is expected that the British Home's reserves will become significantly depleted over the next three years.

In recognition of the future funding challenges facing the charity, a new post of Head of Fundraising and Communications was appointed in April 2018. Trustees have convened a time-limited Communications and Fundraising Committee to oversee the implementation of a new fundraising strategy to support the development of our new facility and to further our work and research around rehabilitation for people with neurological conditions. As we continue to look to the future and the provision of a 'new British Home' we hope that our many generous benefactors will continue to lend their support to turn the vision into a reality.

Our Future

Longer-term Rehabilitation Services

A number of residents within the British Home continue to benefit from short-term, intensive courses of rehabilitation provided by our in-house team of physiotherapists as part of their statutory funded, care package. We recognise the unique benefits that physiotherapy and other specialist programs of rehabilitation can have for our residents, both in terms of enabling greater mobility and independence, as well increasing their physical well-being and improving mental health.

Over the next three years the Home will pilot a new longer-term, rehabilitation service for the benefit of a greater number of residents. The aim is to use charitable funds to provide specialist and complimentary therapies to evidence the positive impact that structured, longer term rehabilitation can have on people with neuro-disabilities. The pilot will also include a shorter-term rehabilitation service of up to eighteen months, specifically for people who require more intensive support to enable their return to more independent, or lower supported accommodation following an acute hospital admission. The pilot will undergo a robust evaluation to inform the further development of this work and to also contribute to the growing evidence base around the benefits of longer-term rehabilitation for those people with severe physical disabilities and neurological care needs. The Director of Care has sourced a specialist training provider to develop a bespoke package of rehabilitation training for all clinical staff working within the Home. This will ensure that all staff have the relevant knowledge and skills to support each resident's programme of rehabilitation in line with their individual care plan.

Our Royal Patron

In November 2017 our Royal Patron, Her Royal Highness Princess Alexandra, visited the British Home. Her Royal Highness has been a patron of the Home since 2002 and has continued to support the Charity's work and continued development since that time. Her Royal Highness took time to speak to our residents and staff with great interest. Trustees also took the opportunity to discuss the plans for the new care facility with Her Royal Highness and were delighted and encouraged by her enthusiastic response. Trustees and staff of the British Home are very grateful for the ongoing support they receive from Her Royal Highness and look forward to further visits in future.

Financial review

Performance in the year

The operating deficit for the period was £2,118,006 (2017 - £1,787,469) as shown in the table below:

	2018 £	2017 £
Fees	3,591,887	3,485,155
Less: Expenditure	(5,709,893)	(5,272,624)
Operating deficit	(2,118,006)	(1,787,469)
Donations	155,957	80,163
Investment income	575,181	564,600
Deficit before legacies	(1,386,868)	(1,142,706)
Legacies	66,550	108,135
Net income for the period before investment gains and losses	(1,320,318)	(1,034,571)

a) Fees

Income from fees charged increased by 3.1% to £3,591,887 (2017 - £3,485,155). The increase in average occupancy was augmented by higher fees generated in respect of new admissions with greater care needs. 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 2018 increased by 8.3% to £5,709,893 (2017 - £5,272,625).

Within this total, staffing costs amounted to £3,184,806 (2017 - £2,868,294) an increase of some £316,512. The Board continued its investment in additional nursing, care and activities staff at a cost of approximately £281,000 and other support staff at a cost of approximately £65,000. Equally, as The British Home staff are the heart of our organisation, whenever possible the Board endeavours to provide a real increase in pay - a 2% increase in 2017 cost approximately £60,000 (2% increase in 2016).

The governance costs of the charity amounted to £284,202 (2017 - £221,018) which includes legal and other professional fees largely relating to the Board's work to ascertain the redevelopment potential of the Crown Lane site.

Financial review (continued)

Performance in the year (continued)

c) *Fundraising and publicity*

Costs, with allocated support costs, totalled £65,990 (2017 - £90,669).

Donations increased within the last year to £155,957 (2017 - £80,163). The great support of individual donors and charitable trusts, a number of whom have been loyal supporters of The 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.

Income from legacies decreased to £66,550 (2017 - £108,135). In line with the legacy income recognition rules under FRS 102, whereby a potential legacy receipt is recognised as income provided probate has been granted and eventual receipt is probable, £11,199 (2017 - £10,000) has been recognised as income ahead of receipt in cash. Historically the legacy income of The British Home has fluctuated and is unpredictable from year to year.

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

Pension Liabilities

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

The Board engaged KPMG to advise it as to whether measures could be taken to potentially mitigate the liabilities of the scheme and whether securing member' benefits under the scheme through an insurance company buy-out might be an affordable option for The 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 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 The 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 The British Home at 31 March 2018 were £14,558,718 (2017 - £17,540,711). Of these £512,489 (2017 - £590,691) of fixed assets 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.

Reserves policy and financial position

In determining the level of reserves necessary to continue the work of The British Home, the Board balances its long term obligations and risks with the needs of current beneficiaries. Where there is a capital commitment or a need to generate income for a specific purpose, the Board has in the past established designated funds out of the General Fund.

In assessing the future demands on its funds the Board has decided that until there is greater clarity as to the likelihood, timing and associated cost of any future redevelopment of the Crown Lane site, little purpose is served by holding reserves in notionally designated funds. The Home's general funds (free reserves) at 31 March 2018 amounted to £14,033,752 (2017 - £16,937,543).

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 2018 was £14,713,918 (31 March 2017 - £16,981,423). The value of the Home's investments can, as the last two years well demonstrate, rise and fall in line with the economic environment and investment market sentiment. 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 £575,181 (2017 - £564,600). There were net unrealised investment gains of £126,325 for the year (2017 - £1,995,432) reflecting the change in market value of investments since 31 March 2017.

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. The 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 The 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 The British Home.

Honorary President

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

Royal Patronage

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

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

Kay Sonneborn

Trustee

Approved on 5 October 2018

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

Opinion

We have audited the financial statements of The British Home and Hospital for Incurables (the 'charitable company') for the year ended 31 March 2018 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 charitable company's affairs as at 31 March 2018 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

Use of our report

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

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

11 October 2018

Statement of financial activities Year to 31 March 2018

	Notes	Un-restricted funds £	Restricted funds £	Endow-ment funds £	2018 Total funds £	2017 Total funds £
Income from:						
Donations and legacies	1	221,507	1,000	—	222,507	188,298
Investment income	2	575,181	—	—	575,181	564,600
Charitable activities	3	3,591,887	—	—	3,591,887	3,485,155
Total income		<u>4,388,575</u>	<u>1,000</u>	<u>—</u>	<u>4,389,575</u>	<u>4,238,053</u>
Expenditure on:						
Raising funds	4	65,991	—	—	65,991	90,669
Charitable activities	5	5,642,902	1,000	—	5,643,902	5,181,955
Total expenditure		<u>5,708,893</u>	<u>1,000</u>	<u>—</u>	<u>5,709,893</u>	<u>5,272,624</u>
Net (expenditure) income for the year before investment gains and losses		(1,320,318)	—	—	(1,320,318)	(1,034,571)
Gains on investments	11	126,325	—	—	126,325	1,995,432
Net income		(1,193,993)	—	—	(1,193,993)	960,861
Pension scheme buyout	19	(1,788,000)	—	—	(1,788,000)	—
Other recognised gains and losses						
Actuarial gains on pension scheme	19	—	—	—	—	40,000
Net movement in funds		(2,981,993)	—	—	(2,981,993)	1,000,861
Fund balances brought forward at 1 April 2017		17,528,234	—	12,477	17,540,711	16,539,850
Fund balances carried forward at 31 March 2018		<u>14,546,241</u>	<u>—</u>	<u>12,477</u>	<u>14,558,718</u>	<u>17,540,711</u>

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

Balance sheet 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	10		512,489		590,691
Investments	11		14,713,918		16,981,423
			<u>15,226,407</u>		<u>17,572,114</u>
Current assets					
Debtors	12	409,239		213,426	
Cash at bank		<u>434,126</u>		<u>530,288</u>	
		843,365		743,714	
Creditors: amounts falling due within one year	13	<u>(1,511,054)</u>		<u>(775,117)</u>	
Net current (liabilities) assets			<u>(667,689)</u>		<u>(31,403)</u>
Net assets			<u>14,558,718</u>		<u>17,540,711</u>
The funds of the charity:					
Endowment fund	15		12,477		12,477
Restricted funds	16		—		—
Unrestricted funds					
. Designated funds	17		512,489		590,691
. General fund			<u>14,033,752</u>		<u>16,937,543</u>
			<u>14,558,718</u>		<u>17,540,711</u>

Approved by the Board of Trustees on 5 October 2018 and signed on its behalf by:

Kay Sonneborn
Trustee

David Green
Trustee

Statement of cash flows 31 March 2018

	Notes	2018 £	2017 £
Cash inflow from operating activities:			
Net cash used in operating activities	A	(2,990,545)	(556,934)
Cash inflow from investing activities			
Dividends and interest from investments:		575,181	564,600
Sale of investments		4,310,000	—
Purchase of investments		(2,074,628)	—
Net cash provided by investing activities		2,810,553	564,600
Change in cash and cash equivalents in the year		(179,992)	7,666
Cash and cash equivalents at 1 April 2017	B	628,802	621,136
Cash and cash equivalents at 31 March 2018	B	448,810	628,802

Notes to the cash flow statement for the year to 31 March 2018.

A Reconciliation of net movement in funds to net cash flow from operating activities			
		2018 £	2017 £
Net movement in funds (as per the statement of financial activities)		(2,981,993)	1,000,861
Adjustments for:			
Depreciation charge		152,829	137,124
(Gains) losses on investments		(126,324)	(1,995,432)
Dividends and interest from investments		(575,181)	(564,600)
Decrease (increase) in debtors		(195,813)	820,895
Increase (decrease) in creditors		735,937	44,218
Net cash used in operating activities		(2,990,545)	(556,934)
B Analysis of cash and cash equivalents			
		2018 £	2017 £
Cash at bank and in hand		434,126	530,288
Cash held by investment managers		14,684	98,514
Total cash and cash equivalents		448,810	628,802

Principal accounting policies Year to 31 March 2018

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 2018.

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2019, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy section of the trustees' report for more information).

Income

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

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

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

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

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

Expenditure and the basis of apportioning costs

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure includes attributable VAT which cannot be recovered.

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

Expenditure comprises the following:

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

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 with regard to 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 £34.8m at 31 March 2018 (at 31 March 2017 – £33m).

Principal accounting policies Year to 31 March 2018

Tangible fixed assets (continued)

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

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.

Principal accounting policies Year to 31 March 2018

Fund accounting (continued)

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, The 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 £	2018 £	2017 £
Donations inclusive of reclaimed tax	154,957	1,000	155,957	80,163
Legacies	66,550	—	66,550	108,135
Total 2018	221,507	1,000	222,507	188,298
Total 2017	187,298	1,000	188,298	

2 Investment income

	Unrestricted funds	
	2018 £	2017 £
Sarasin – CIF ALPHA fund units	291,638	286,728
COIF – Investment fund income units	283,179	277,611
	574,817	564,339
Interest receivable	364	261
Total 2017	575,181	564,600

3 Income from charitable activities

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

4 Expenditure on raising funds

	Unrestricted funds	
	2018 £	2017 £
Advertising and agency fees	8,436	24,739
Publicity	—	1,151
Other costs (including staff costs)		
· Direct costs	20,343	30,717
· Support costs	37,212	34,062
	65,991	90,669

5 Expenditure on charitable activities

	Unrestricted £	Restricted £	2018 £	2017 £
Medical and nursing services				
. Direct costs	3,195,461	—	3,195,461	2,904,170
. Support costs	2,440,510	—	2,440,510	2,265,393
Annuity and other charitable services	6,931	1,000	7,931	12,392
	<u>5,642,902</u>	<u>1,000</u>	<u>5,643,902</u>	<u>5,181,955</u>
Total 2017	<u>5,180,955</u>	<u>1,000</u>	<u>5,181,955</u>	

6 Analysis of support costs

	Raising funds £	Charitable activities £	2018 £	2017 £
Staff costs	10,419	536,384	546,803	474,037
Administration	7,879	383,379	391,258	372,722
Housekeeping – fuel & rates	1,732	142,631	144,363	138,382
Housekeeping - other	9,984	674,303	684,287	636,251
Depreciation	1,636	151,193	152,829	137,124
Repairs & maintenance	—	122,187	122,187	184,205
Insurance	738	60,752	61,490	59,223
Other costs	1,412	88,889	90,301	76,493
Governance costs	3,410	280,792	284,202	221,018
Total support costs	<u>37,210</u>	<u>2,440,510</u>	<u>2,477,720</u>	<u>2,299,455</u>
Total 2017	<u>34,062</u>	<u>2,265,393</u>	<u>2,299,455</u>	

Included within governance costs is auditor's remuneration of £21,300 (2017 - £20,700) and a further £177,507 (2017: £150,000) for professional fees related to the preparatory work for the proposed development of the new care facility.

7 Staff costs

	2018 £	2017 £
Wages and salaries	2,779,266	2,406,391
Social security costs	256,267	215,963
Pension costs	149,273	245,940
	<u>3,184,806</u>	<u>2,868,294</u>

One employee earned between £80,000 and £90,000 in the year ended 31 March 2018 (2017 - None).

7 Staff costs (continued)

The average number of employees, analysed by function was:

Full time Equivalent	FTE 2018	Head Count 2018	FTE* 2017	Head Count 2017
Nursing and care	102	108	98	96
Maintenance	3	4	3	3
Reception and portering	4	6	4	6
Management and administration	5	6	5	6
	114	124	110	111

Catering, cleaning and laundry are outsourced, but with staff dedicated to the British Home. Average numbers of catering and cleaning staff during the year were FTE 19 / Head Count 24 (2017 FTE 18 / Head Count 23).

Remuneration of key management personnel

No trustee received any remuneration in respect of their services during the year. Two trustees were reimbursed a total of £208 for travel expenses in the year (2017 – £nil).

During the year, the total remuneration, including pension contributions and employers national insurance contributions, of key management personnel was £205,712 (2017 - £143,206).

8 Related party transactions

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

The Home has purchased insurance to protect it from any loss arising from any neglect or defaults of any member of the Board of Trustees or employee and to indemnify any Board Member or employee against the consequence of any neglect or default on their part. The total cover provided by such insurance is £2,000,000 (2017 - £2,000,000) and the insurance premium paid by the Home during the year totalled £914 (2017 - £1,380).

Donations from trustees totalled £205 (2017 - £210).

9 Taxation

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

10 Tangible fixed assets

	Freehold building £	Hospital equipment £	Computer equipment £	Total £
Cost				
At 1 April 2017	3,240,207	7,800	—	3,248,007
Additions	—	15,887	58,740	74,627
At 31 March 2018	<u>3,240,207</u>	<u>23,687</u>	<u>58,740</u>	3,322,634
Depreciation				
At 1 April 2017	2,654,976	2,340	—	2,657,316
Charge for the year	136,344	4,737	11,748	152,829
At 31 March 2018	<u>2,791,320</u>	<u>7,077</u>	<u>11,748</u>	2,810,145
Net book values				
At 31 March 2018	<u>448,887</u>	<u>16,610</u>	<u>46,992</u>	512,489
At 31 March 2017	<u>585,231</u>	<u>5,460</u>	<u>—</u>	590,691

11 Investments

	2018 £	2017 £
Market value at 1 April 2017	16,882,909	14,887,477
Additions	2,000,000	—
Disposals	(4,310,000)	—
Net investment gains	126,324	1,995,432
Market value at 31 March 2018	14,699,233	16,882,909
Cash held by investment advisors for re-investment	14,685	98,514
Total investments	14,713,918	16,981,423
Historical cost of investments at 31 March 2018	11,429,537	12,526,880

Investments held at 31 March comprised the following:

	2018 £	2017 £
Investment property	56,500	56,500
Indirectly held investments		
· COIF funds	8,163,052	8,019,941
· Sarasin CIF Alpha fund units	6,479,682	8,806,468
	14,699,234	16,882,909
Cash held by investment managers for reinvestment	14,684	98,514
	14,713,918	16,981,423

12 Debtors

	2018 £	2017 £
Fee debtors	322,034	133,691
Prepayments and accrued income	87,205	79,735
	409,239	213,426

Prepayments and accrued income at 31 March 2018 includes legacies of £11,199 (2017 - £10,000).

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts held on behalf of residents	33,496	34,581
Accruals and deferred income	362,639	322,220
Social security and other taxation	136,087	59,646
Other creditors	200,832	358,670
Liability on withdrawal from pension scheme	778,000	—
	1,511,054	775,117

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

14 Operating lease commitments

At 31 March 2018, the Charity had the following total commitments under operating leases on plant and machinery as follows:

Amounts payable:	2018 £	2017 £
.Within one year	1,872	1,872
.In two to five years	1,872	3,744
	3,744	5,616

15 Endowment fund

	2018 £	2017 £
The D.O. Beale Trust	12,477	12,477

At 31 March 2018 the assets of the endowment fund were made up of cash balances only.

16 Restricted funds

The income funds of the Home included restricted funds comprising the following donations held on trust which were to be applied for a specific purpose:

	At 1 April 2017 £	Income £	Expenditure £	At 31 March 2018 £
Red Rose Charitable Trust Fund	—	1,000	(1,000)	—

Red Rose Charitable Trust Fund

These monies were donated to be expended on someone from the Merseyside area.

17 Designated funds

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

	At 1 April 2017 £	Released/ utilised in year £	At 31 March 2018 £
Tangible fixed assets fund	590,691	(78,202)	512,489

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.

18 Analysis of net assets between funds

	Endowment fund £	Designated funds £	General fund £	Total 2018 £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	—	512,489	—	512,489
Investments	12,477	—	14,701,441	14,713,918
Current assets	—	—	843,365	843,365
Creditors: amounts falling due within one year	—	—	(1,511,054)	(1,511,054)
Total net assets	12,477	512,489	14,033,752	14,558,718

19 Pension commitments

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

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

19 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.

19 Cash at bank

Cash at bank of £434,126 on 31 March 2018 (2017 - £530,288) includes £33,496 held on behalf of the residents of the Home (2017 - £34,581). A corresponding liability for these monies is included in creditors (note 13).