

THE GLOUCESTERSHIRE CARE PARTNERSHIP

Annual Report and Financial Statements

Year Ended 31 March 2021

Charity No: 1108381

Company No: 04667322

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Report of the Trustees for the year ended 31 March 2021

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2021.

Reference and Administrative Details

Director/Trustees

Daniel Hayes (The Orders of St John Care Trust)
Kerry Dearden (The Orders of St John Care Trust)
Millie Wentworth-Stanley (The Orders of St John Care Trust)
Tracey Wardle (The Orders of St John Care Trust)

Kevin Bolt (bpha)
Anna Humphries (bpha)
Julian Pearce (bpha) – Appointed 2 October 2020
Julie Wittich (bpha) – Resigned 30 September 2020
Philippa Spratley (bpha)

Secretary Joanna Downing

Registered Office 1 Des Roches Square
Witney
Oxfordshire
OX28 4BE

Auditors BDO LLP
Chartered Accountants
Two Snow Hill
Birmingham
B4 6GA

Bankers Barclays Bank Plc
Midland Corporate Banking
P.O. Box 3333
15 Colmore Row
Birmingham
B32 4TN

Report of the Trustees for the year ended 31 March 2021 (continued)

Strategic Report

Structure, Governance and Management

The Gloucestershire Care Partnership (the charity) is a charitable company limited by guarantee (registered company number 04667322, registered charity number 1108381) and was incorporated on 17 February 2003. It is governed by articles of association which were last amended on 4 November 2004 and adopted on 20 December 2004.

Organisation

A board of Trustees, which meets periodically, administers the charity. The Orders of St John Care Trust manage the day-to-day operations of the charity under a management contract dated 29 April 2005. Each member has the power to appoint up to four Trustees to the Board and the Board is able to appoint up to two independent Trustees. During the year to 31 March 2021 both The Orders of St John Care Trust and bpha had four Trustees each and there were no independent Trustees. Trustee induction and training includes ensuring all Trustees have a working knowledge of the Charity and its charitable purpose, any current issues the Charity is facing and an overview of the financial position.

Investment Powers

Under the memorandum and articles of association, the charity has the power to make any investments which the Trustees see fit.

Objectives and Public Benefit

The Charity's objectives are to carry out in the County of Gloucestershire the following activities:

- To provide care to elderly people in Gloucestershire through care homes specialising in residential, mental health and nursing care, together with intermediate, domiciliary and day care; and
- To provide, within Gloucestershire, housing accommodation and assistance to help house people who are elderly or disabled and associated facilities and amenities for such people or for the relief of the aged, disabled, handicapped (whether physically or mentally) or chronically sick people and provision of care in the community and in hospitals and at home; and
- To further such general charitable objects as the Trustees may determine.

The Trustees have taken account of the Charity Commission guidance on Public Benefit and Fee-charging and consider that the Trust objectives are for the public benefit. The principal reasons are:-

- 100% of our service users are contracted by Local Authorities.
- Surpluses are reinvested in subsidising improved services or accommodation for the service users.
- Other services are provided at either low or no cost to certain service users.
- The services are available to any eligible person.

Report of the Trustees for the year ended 31 March 2021 (continued)

Related Parties

The Gloucestershire Care Partnership (GCP) is a charitable care trust established in 2004 by The Orders of St John Care Trust (OSJCT), a leading national provider of care services for older people and bpha, a major regional registered social landlord. It was set up to operate care homes for older people transferred to GCP from Gloucestershire County Council (GCC) under an initial block contract to 2035. The transfer of the initial 21 care homes was completed in May 2005.

GCP wholly subcontracts the care of residents in the care homes to OSJCT. OSJCT is the registered care provider of the homes and employs the employees working in the homes and at a support level in the regional office. Similarly, GCP subcontracts the development and capital funding of new care homes to bpha. The original care homes transferred to GCP are leased from GCC until 30 April 2025 and the four homes that have been developed under the terms of the re-provisioning contract run until 2035.

Funding Sources and Expenditure

The principal funding source is fees received from Gloucestershire County Council for its Local Authority funded residential, dementia and nursing residents. Fees from self-funders residing at the homes pass directly to OSJCT as care provider. Expenditure primarily consists of care fees related to providing the care which is paid to OSJCT and rent payable in the main to bpha.

The accounting treatment adopted since the Charity was first established reflects the intention of the partners, OSJCT and bpha, and of the other stakeholders principally including GCC, that all activity in relation to provision of services in the homes operated by the Charity should be reflected in the Charity's financial statements. Self-fund income is treated as agency income so is not included in the accounts. Beds which are not purchased by GCC and beds that fall outside of the contract with GCC are made available to private self-funding residents in a direct contract with OSJCT. In previous years the Charity's strategic report made some reference to the key performance metrics of the homes. The Trustees recognise that it is not possible by reference to the GCP financial statements for external stakeholders to understand the underlying performance of the homes since most of the operating costs and all of the self-funder income are borne by OSJCT and are only recognised in OSJCT's financial statements. The Trustees have agreed on the accounting treatment and this is consistent with the prior year, they will however keep this under review for appropriateness.

The Trustees recognise that more than 15 years have elapsed since the Charity commenced operations. During that period the operating environment, including the needs and expectations of elderly people has changed. The original intentions of the partners have in some cases been superseded with some homes continuing to operate beyond their originally anticipated lifespan. The partners continue to review all operational matters including the issues relating to an ageing estate.

Report of the Trustees for the year ended 31 March 2021 (continued)

Compliance with Charity Governance Code

The Board notes its support of the code of governance for charities, including the requirements for larger, more complex charities. Both members have adopted codes of governance relevant to their sectors: bpha applies the principles of good governance outlined in the National Housing Federation Code of Governance 2015 and OSJCT applies the Charity Governance Code. A review was undertaken during 2020 to assess GCP's compliance with the code and this was reported on in last year's annual report. It was found that although the key outcomes in respect of each of the principles are met, full compliance with all recommended practices within the code was not achievable. Certain parts of these practices are not applicable, for instance in relation to staffing as GCP itself does not employ any staff. Practice diverges in other areas, sometimes as a direct consequence of the charity's joint venture structure which mainly affects the Board Effectiveness and Diversity principles. There has been no change in compliance since the review in early 2020.

Statement of adherence to the Fundraising Regulator Code

The Charity seeks to comply fully with all regulation and relevant codes of practice. Fundraising is not a material income stream for the Charity and therefore is not required to report under section 162A of the Charities Act 2011.

Activities and Performance

The Charity currently operates 13 care homes across Gloucestershire with a total of 713 beds. The average occupancy during the year (GCC and self-funders) was 81.2% (2020: 92.4%), which reflects the impact of the pandemic during the financial year.

The contract between the parties assumed a level of re-provision of all older services into new fit for purpose homes planned and agreed through an Estates Committee. The estates strategy was paused in recent years by GCC, which impacted the trading and performance of some of the older homes. The Estates Committee of GCC and GCP was re-established during 2017/18 for the specific objective of reviewing and agreeing the future of the estate. GCC has recently completed its care home strategy for the future which recognised insufficient supply in some areas and oversupply in others. There is also a move away from residential services as individuals wish to stay at home and more of a focus on specialist services such as dementia and continued provision of nursing services. A new short stay strategy has also been developed, helping individuals move from hospital to home via a short period in a setting such as a care home or reablement service or indeed a time of support in such a setting ensuring avoidance of having to go into a hospital.

The Covid-19 pandemic had a profound impact during 2020/21, which meant any strategic review and future planning was put on hold whilst all parties (GCP, GCC, bpha and OSJCT) worked to protect all key stakeholders. It is anticipated that an updated estates strategy will be completed in 2021/22.

At the beginning of the first wave of the pandemic, GCP, via OSJCT as care provider, worked closely with GCC and the local NHS clinical commissioning group (CCG) to rapidly establish a number of responsive services to support the hospital discharge pathway. These were initially known as Hospital Discharge Support Units (HDSUs) but in the second wave they were a mix of 'Designated Services' (national term for those services supporting COVID positive individuals) or Discharge to Assess (D2A) Units which supported individuals moving from hospital to their final destination which was to home in most cases. GCP, via OSJCT, set up and operated both types of services supported

Report of the Trustees for the year ended 31 March 2021 (continued)

by multi-disciplinary teams provided by the NHS and the Local Authority such as occupational therapists.

GCP via OSJCT opened and operated one Designated Service in the second wave to support the regions response to the pandemic and the pressure on hospitals. To be able to successfully operate such a service against a backdrop of national challenges with insurance and regulatory scrutiny was a significant achievement. The service has now been decommissioned in line with the significantly reduced pressure on hospitals.

GCP continues to operate a number of D2A/short stay units but GCC are reviewing their ongoing demand for short stay services which will be called 'Enhanced Independence Offer' and GCP expects to provide some of their requirements in 2021/22 and ongoing.

Financial Review

Financial KPIs	2021 (£'000)	2020 (£'000)
Income	19,353	16,956
Net Surplus / (Deficit)	33	(53)
Cash flow	22	(134)
Operational KPIs		
Occupancy as % of total block places	83.8%	89.1%
Average GCC block beds	368	409

Covid-19 had a significant impact on occupancy during the year with the average number of GCC block beds falling to 368 (2019/20: 409). Under the GCC contract, a void rate is charged for unfilled beds limiting the impact of the reduced occupancy on income. The contract also allows GCC to pass block beds to the NHS at a rate agreed with the relevant NHS body at the time. For the duration of the contractual variation for these beds, the NHS authority becomes the principle payor for these beds. During the year, 29 block contract beds were utilised as "HDSU beds" across two sites for an average of 6 months. These beds then converted to "D2A" along with a further 40 block beds located at two other sites. GCC was the principle payor for these beds, funded via the NHS, contributing £2.2m of income to GCP during the year. Additional funding was also received from Central Government as part of the Covid-19 support packages provided to the care sector throughout the pandemic. This totalled £1.5m and passed directly through GCP to OSJCT as care provider.

Expenditure increased in line with the increase in income as a consequence of the mechanism used to calculate care fees owed to OSJCT. Whilst the Charity uses significant agency resource throughout Gloucestershire, particularly in its homes with nursing provision, the burden of this cost is held by OSJCT, and therefore the impact of this is not shown within the Charity's accounts.

Report of the Trustees for the year ended 31 March 2021 (continued)

The additional costs incurred, because of the pandemic (Personal Protective Equipment, Health and hygiene measures and payroll costs etc), is also born by OSJCT and therefore the impact of this cost is also not shown within the Charity's accounts.

GCP had anticipated commencing a significant capital refurbishment programme in 2020/21 across the nine older homes funded by GCC however this was postponed due to the pandemic and instead will commence in 2021/22 in line with the updated estates strategy.

Going Concern

The Charity shows a deficit on reserves; this is because of the structure of the original contract. The Estates Committee, which was re-established in 2017/18 completed the first phase of the estates strategy in December 2019 which sets out the financial support GCC will provide for the older homes until 2025. GCP Trustees had intended to complete work on the sustainability of GCP during 2022/21 which involves reviewing the structure of the care contract between GCP and OSJCT and the loan agreements with both joint venture partners. Unfortunately the additional operational requirements created by the pandemic has meant that both sets of Trustees have needed to devote significant time to the wellbeing of residents, service users and employees which has led to a delay in starting the GCP care contract evaluation. It is hoped this work can be started during the second half of the next financial year (2021/22). Financial support will be provided until at least December 2022.

Trustees have considered a number of scenarios with relation to Covid-19 and the impact on GCP. The contractual structure of GCP is such that the void mechanism ensures GCP can continue to cover all contractual payments. Operating risk sits with the care provider, OSJCT, and therefore Trustees are assured there is limited risk to GCP as a result of Covid-19.

Given the support of the members, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future from the date of signing of these report and financial statements and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Reserves policy and risk management

The Trustees need to ensure the Charity is sustainable in the future hence the on-going discussions with GCC around care provision and the delivery of a more beneficial model which will assist in reducing the reserves deficit and the ongoing performance of the Charity. At the year-end there was a total deficit of £716,000.

The Trustees have identified and implemented risk management strategies for risks to which the charity could be exposed and established controls and action plans to mitigate these.

The principal risks to which the Charity may be subject:

- **Covid-19** – global pandemic will affect occupancy levels however the void bed contractual mechanism ensures GCP is sufficiently reimbursed to continue to operate
- **Governance and Management** - the strategic objectives of the Charity are reviewed annually, to set clear goals for the current year in line with long term aspirations and Charity Commission guidelines, in order to continue to deliver quality care services.

Report of the Trustees for the year ended 31 March 2021 (continued)

- **Operational Control** – there are established systems to manage and report operating performance to all stakeholders in the Trust, which are reviewed regularly. Trustees are considering how this can be improved to ensure strong communications exist to maximise availability of the provision of care for the residents.
- **Financial Controls** – Operational financial management of the Charity is undertaken by OSJCT which is overseen by a Board of Trustees.
- **Legal and Compliance Risks** - OSJCT as Care Provider complies with all care homes legislation and other applicable laws relating to the homes or to the provision of services including (without limitation) those relating to health and safety, hygiene, fire, employment and data protection.
- Whilst these risks are the broad areas within which Trustees manage risk, the specific risk of local authority contracting is a principal risk for the Charity when assessed for impact and probability. The Charity has a significant contract in place with GCC which accounts for more than 55% of the residents within the Gloucestershire region. GCC's work on their Estate's strategy indicates a reduced requirement for bed-based services in the future. The Charity will ensure it engages fully with GCC during discussions, ensuring flexibility and responsiveness to future commissioning needs and re-provisioning.

Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees for the year ended 31 March 2021 (continued)

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all reasonable steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees Annual Report, incorporating the Strategic Report, was approved by the Board on 1 July 2021.

A handwritten signature in black ink that reads "Daniel Hayes". The signature is written in a cursive style with a large, looping flourish at the end.

Daniel Hayes
Trustee

Independent auditor's report to the members of The Gloucestershire Care Partnership

Opinion on the financial statements

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 2021 and of its incoming resources and application of resources 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.

We have audited the financial statements of The Gloucestershire Care Partnership ("the Charitable Company") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)¹.

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 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.

Material uncertainty related to going concern

We draw attention to note 1 of the financial statements, which refers to the financial position of the charity and its reliance on financial support continuing to be provided by the members. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

¹ No requirement to specify whether FRS 102 or FRS 102 1A - wording covers both frameworks.

**Independent auditor's report to the members of The Gloucestershire Care Partnership
(continued)**

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustee's 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Independent auditor's report to the members of The Gloucestershire Care Partnership
(continued)**

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We made enquiries of management, and the Board of Trustees. This included the following:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include, but are not limited to, compliance with Companies Act 2006, UK GAAP, Charities SORP and tax legislation.

**Independent auditor's report to the members of The Gloucestershire Care Partnership
(continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.

We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit response to risks identified

- We reviewed the financial statement disclosures and sample tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Board of Trustees, management and internal audit;
- We reviewed the major incident log submitted to the Board of Trustees which includes instances of fraud and non-compliance with laws and regulations and we read minutes of meetings of those charged with governance;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Independent auditor's report to the members of The Gloucestershire Care Partnership
(continued)**

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.

DocuSigned by:
Kyla Bellingall
A11A16013DD84AC...

Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham, UK
Date 28 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2021

	Notes	31 March 2021 Unrestricted Funds £'000	31 March 2020 Unrestricted Funds £'000
Income from:			
Charitable activities	2	17,862	15,331
Investments (interest)		-	2
Other income	2	1,491	1,623
Total Income		19,353	16,956
Expenditure on:			
Charitable activities	3	19,320	17,009
Total Expenditure		19,320	17,009
Net surplus / (deficit) for the year		33	(53)
Net movement in funds for the year		33	(53)
Reconciliation of funds:			
Total deficit brought forward		(749)	(696)
Total deficit carried forward at 31 March		(716)	(749)

All of the above results are derived from continuing activities.

All gains and losses recognised in the year are included above.

The notes on pages 19 to 26 form part of these financial statements

THE GLOUCESTERSHIRE CARE PARTNERSHIP

Balance Sheet as at 31 March 2021

	Notes	2021 Unrestricted Funds £'000	2020 Unrestricted Funds £'000
Fixed assets			
Leasehold assets	5	<u>108</u>	194
Current assets			
Debtors: due within one year	6	234	151
Cash and cash equivalents	9	271	249
		<u>505</u>	400
Current liabilities			
Creditors: amounts falling due within one year	7	(1,229)	(1,293)
Net current liabilities		<u>(724)</u>	(893)
Total assets less current liabilities		<u>(616)</u>	(699)
Creditors: due after more than one year	8	(100)	(50)
Net liabilities		<u>(716)</u>	(749)
Funds:			
Unrestricted Funds		(716)	(749)
Total deficit	11	<u>(716)</u>	(749)

The notes on pages 19 to 26 form part of these financial statements.

The financial statements of Gloucestershire Care Partnership (Company Number 04667322) were approved by the Trustees on 1 July 2021 and signed on their behalf by:



Daniel Hayes
Trustee
1 July 2021

Statement of Cash flows for the year ended 31 March 2021

	31 March 2021	31 March 2020
	Unrestricted	Unrestricted
	Funds	Funds
	£'000	£'000
Cashflows from operating activities:		
Net cash provided by/(used in) operating activities	36	(122)
Cash (outflows) from investing activities:		
Interest (net)	(14)	(12)
Net cash (used in) investing activities	(14)	(12)
Change in cash and cash equivalents in the year	22	(134)
Cash and cash equivalents at the beginning of the year	249	383
Cash and cash equivalents at the end of the year	271	249
Net income/(expenditure) for the year	33	(53)
Adjustments for:		
Depreciation charges	86	9
(Increase) / Decrease in debtors	(83)	694
Decrease in creditors	(64)	(834)
Increase in provisions	50	50
Interest received	-	(2)
Interest paid	14	14
Net cash provided by/(used in) operating activities	36	(122)

The notes on pages 19 to 26 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31 March 2021

The company is a private company limited by guarantee and is registered in England and Wales. The company's registered address is 1 Des Roches Square, Witney, OX28 4BE. The company's registered number is 04667322.

1. Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (second edition revised October 2019) Accounting and Reporting 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, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Financial Statements of the charity, which is a public benefit entity under FRS 102, have been prepared on the historical cost basis. The principal accounting policies adopted in the preparation of the accounts are set out below and any changes restated in the previous year. The accounts are presented in £ sterling.

The financial statements have been prepared up to 31 March 2021 which is within 7 days of the accounting reference period of 28 March 2021.

b. Going Concern

The financial statements have been prepared on a going concern basis.

In the current business climate, the Board acknowledge the ongoing COVID-19 pandemic.

In response to the pandemic, the Trustees are monitoring all aspects of the company's activities and have implemented operational changes to mitigate the financial impact of COVID-19. Actions have included a full reforecast of the financial position and cashflows for the period to March 2023 and stress testing the cash position to the extreme of zero occupancy. The contractual structure of GCP is such, that the void mechanism ensures GCP can continue to cover all contractual payments. Operating risk sits with the care provider, OSJCT, and therefore Trustees are of the view that there is limited risk to GCP as a result of Covid-19.

However the current contractual structure has resulted in a deficit position each year and a cumulative deficit on the balance sheet. The net surplus in 2020/21 is only due to the release of historical rent accruals totalling £165k, following agreement by the Trustees. The Estates Committee, which was re-established in 2017/18 completed the first phase of the estates strategy in December 2019 which sets out the financial support GCC will provide for the older homes until 2025. GCP Trustees now need to commence work on the sustainability of GCP which involves reviewing the structure of the care contract between GCP and OSJCT and the loan agreements with both joint venture partners.

As a result, whilst the charity will have sufficient working capital and cash flows to continue in operational existence, this is dependent on the continuing financial support of the two members of the Charity, (bpha and OSJCT), who have agreed to provide financial support to the Charity until the negotiations on the care contract have reached a satisfactory conclusion,

Accounting policies (continued)

Going concern (continued)

and until at least December 2022. Whilst the Trustees believe this support will be forthcoming, the letters of support are not a legal commitment. Therefore, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

c. Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 3 as well as The Orders of St John Care Trust and bpha. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

d. Fund accounting

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Investment income and gains are allocated to the appropriate fund.

e. Income from charitable activities

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenue is accounted for on the basis of invoiced charges to GCC for residential and related care services, raised in accordance with Local Authority block contract and recognised over the period in which provided. Income excludes charges to self-funding residents.

f. Expenditure on charitable activities

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading they are allocated to activities on a basis consistent with use of the resources.

Residential care costs are contractual payments to OSJCT as care provider in relation to the provision of care services in the homes. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include rent and planned maintenance.

g. Significant Accounting Estimates and Judgements

In determining the carrying amounts of certain assets and liabilities, the Charity makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Charity's estimates and assumptions are based on historical experience and expectation of future events and are periodically reviewed.

Accounting policies (continued)

Significant Accounting Estimates and Judgements (continued)

GCP acting as agent recognises income from GCC in full as per the contractual arrangements. GCP is not considered to act as principal in the contractual arrangements with self-funded residents. Accordingly, income received from self-funded residents is not recognised.

Management considered the classification of leases between finance and operating leases, and took the judgement that all leases should be classified as operating.

h. Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

i. Taxation status

As a charity the GCP is exempt from taxation on its charitable activities.

j. Fixed assets

Expenditure incurred on assets held on a continuing basis for the activity of the company is capitalised where appropriate and included in fixed assets at cost. An annual review is undertaken to determine any impairment in the net book value of property assets. Impairment losses are recognised in the SoFA as expenditure.

Depreciation is provided to write off the cost less residual value on a straight line basis over the useful economic life of the asset concerned. The following rates apply:

Leasehold assets: 30 years or remainder of lease if shorter.

k. Financial Instruments

The Company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

l. Cash and cash equivalents

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

2. Income from Charitable activities

The fees for care of £17,861,561 (2020: £15,330,775) are received for block and spot placement contracts with GCC.

Included within other income is £1,490,598 (2020: £0) in relation to Government funding for the Covid-19 Pandemic.

In 2020, GCP concluded discussions with Gloucestershire County Council around financial support of the older homes to 2025 and was reimbursed a total of £1,623,000 for additional care costs relating to the estate strategy. These monies are included within other income.

3. Expenditure on Charitable activities

	2021 £'000	2020 £'000
Care services fees	15,999	13,550
Operating lease rentals – land & buildings	3,121	3,329
Management and professional fees	29	29
Interest paid	14	14
Depreciation	9	9
Impairment of assets	77	-
Governance costs (audit fee)	18	25
Other	3	3
Contractual provision	50	50
Total Charitable expenditure	19,320	17,009

4. Trustees Remuneration

The Trustees neither received nor waived any emoluments during the year.

No out of pocket expenses were reimbursed to Trustees.

5. Fixed assets

	Leasehold Improvements £'000
Cost	
At 31 March 2020 and 31 March 2021	<u>272</u>
Depreciation	
At 31 March 2020	78
Depreciation charge	9
Impairment charge	77
At 31 March 2021	<u><u>164</u></u>
Net Book Value	
At 31 March 2020	<u>194</u>
At 31 March 2021	<u><u>108</u></u>

6. Debtors

	2021	2020
	£'000	£'000
Other debtors and accrued income	180	97
Prepayments	54	53
Amounts due from related undertakings	-	1
Total	234	151

7. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Accruals	115	111
Amounts due to related undertakings	1,114	1,182
Total	1,229	1,293

8. Creditors: amounts due after more than one year

	2021	2020
	£'000	£'000
Amounts due to related undertakings	100	50
Total	100	50

9. Cash and Cash Equivalents

	2021	2020
	£'000	£'000
Cash at bank	271	249
Total	271	249

10. Operating Lease commitments

At 31 March 2021, the company had total commitments under non-cancellable operating leases as follows:

	2021	2020
	Land and Buildings £'000	Land and Buildings £'000
Due within 1 year	3,315	3,307
Due within 1-5 years	13,260	13,228
Due in more than 5 years	104,564	107,754
	121,139	124,289

11. Analysis of net liabilities between funds

	2021	2020
	Unrestricted Funds £'000	Unrestricted Funds £'000
Funds balances are represented by:		
Fixed assets	108	194
Current assets	505	400
Current liabilities	(1,229)	(1,293)
Long term liabilities	(100)	(50)
Total net liabilities	(716)	(749)

12. Related Party Transactions

bpha

The income and expenditure account includes the following transactions between the Partnership and bpha, which is one of two equal members in the company:

	2021	2020
	£'000	£'000
Expenditure:		
Property lease rentals	2,213	2,379
Interest	7	7
	2,220	2,386

The amounts due to or from bpha at the year-end are:

	2021	2020
	£'000	£'000
Payable:		
Short-term loan	250	250
Interest on loan payable	150	143
Property lease rentals	-	165
	400	558

OSJCT

The income and expenditure account includes the following transactions between the Partnership and OSJCT, which is one of the two equal members in the company:

	2021	2020
	£'000	£'000
Expenditure:		
Contractual payments to OSJCT	15,999	13,551
Management fees	29	29
Interest on loan	7	7
	16,035	13,587

Related Party Transactions (continued)

The amounts due to or from OSJCT at the year-end are:

	2021	2020
	£'000	£'000
Receivable:		
Trade debtor	-	1
	<hr/>	<hr/>
	-	1
Payable:		
Short-term loan	250	250
Interest on loan	150	143
Care services fees	290	206
Management fees	24	24
	<hr/>	<hr/>
	714	623
	<hr/>	<hr/>

Under the terms of the care services contract, Gloucestershire County Council are contracted to purchase a minimum number of bed spaces in the GCP homes with the balance being available to OSJCT. In the event purchasing falls below these levels the Council either pay a 'void' rate or OSJCT has the rights to offer the bed space to the NHS, other Local Authorities or private fee payers. Any such placements by OSJCT are at nil consideration to GCP.

All income directly received by OSJCT and any associated risk e.g. providing required care at premium rates (agency), being exposed to doubtful debt or rising costs above contractual inflation that may arise, is the direct responsibility of OSJCT as care provider.

OSJCT and bpha each provide a working capital loan to the Charity of £250,000 on an arm's lengths basis, renewable on a 12-month basis.