EMH CARE AND SUPPORT LIMITED

England & Wales · Charity number 1001704

Details

Other names	ENABLE CARE & HOME SUPPORT LIMITED, ECHS LIMITED
Status	Registered
Legal form	Charitable company
Company number	02488821
Registered	1991-01-29
Register	View on the Charity Commission register

Contact

Address	East Midlands Housing Group Memorial House Whitwick Business Park Stenson Road Coalville LE67 4JP
Phone	01530276000
Email	info@emhcareandsupport.org.uk
Website	www.emhcareandsupport.org.uk

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Activities

Objects: (A) THE RELIEF OF PERSONS WITH LEARNING DIFFICULTIES, OR SENSORY OR OTHER DISABILITIES (INCLUDING BUT NOT LIMITED TO PERSONS WHO ARE PHYSICALLY, MENTALLY OR LEARNING DISABLED OR MENTALLY ILL ORCHRONICALLY SICK OR VULNERABLE OR IN NECESSITOUS CIRCUMSTANCES FOR SOME OTHER REASON) BY THE PROVISION OF ACCOMMODATION, AND OTHER AMENITIES, FACILITIES AND SERVICES (INCLUDING BUT NOT LIMITED TO THE PROVISION OF CARE, WELFARE AND NURSING SERVICES) CALCULATED TO ALLEVIATE THE DISABILITIES AND SUFFERING OF SUCH PERSONS;(B) TO EDUCATE THE PUBLIC CONCERNING THE PROVISION OF HOUSING AND CARE FACILITIES FOR THE BENEFIT OF PERSONS SUFFERING FROM LEARNING DIFFICULTIES, MOBILITY PROBLEMS OR OTHER DISABILITIES (INCLUDINGBUT NOT LIMITED TO PERSONS WHO ARE PHYSICALLY, MENTALLY OR LEARNING DISABLED OR MENTALLY ILL OR CHRONICALLY SICK OR VULNERABLE OR IN NECESSITOUS CIRCUMSTANCES FOR SOME OTHER REASON) OR WHO ARE OTHERWISE EXPERIENCING POOR HOUSING CONDITIONS;(C) TO UNDERTAKE OR FACILITATE RESEARCH IN CONNECTION WITH THE PRECEDING OBJECTS UPON TERMS THAT SUCH RESEARCH SHALL BE PUBLISHED.

Activities: The relief of persons with learning difficulties, sensory or other diasbilities (including but not limited to persons who are physcially, mentally/learning disabled, mentally ill, chronically sick, vulnerable or in necessitous circumstances) by provision of accomodation, and other amenities, facilities and services calcualted to alleviate the disabilities and suffering of such persons.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Derby City
- Derbyshire
- Leicester City
- Leicestershire
- Northamptonshire
- Nottinghamshire

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£22,920,895	£21,032,221	£15,816,062	363
2024-03-31	£20,957,100	£20,918,671	£13,896,387	373
2023-03-31	£18,247,519	£19,616,952	£14,034,880	461
2022-03-31	£20,534,307	£19,078,127	£15,510,161	464
2021-03-31	£18,713,403	£17,090,896	£16,048,739	431

Trustees

Name	Role	Appointed
Anne Chapman		2025-01-01
MARGARET COWARD		2018-09-14
Michael Richard Lawton		2024-02-01
Patricia McCabe		2017-09-15
Simon Ketteridge		2022-09-16
Timothy John Michael Bishop		2024-02-01

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EMH CARE AND SUPPORT LIMITED

England & Wales - Charity number 1001704

Accounts

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2025



emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704). It is registered in England & Wales.

EMH CARE AND SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2025

TRUSTEES

Margaret Coward – Chair (appointed Chair July 24)
Patricia McCabe
Roger Merchant – (Resigned September 24)
Simon Ketteridge
Sarah Woolley – (Resigned August 24)
Mike Lawton
Tim Bishop
Amanda Ashton – Chair (Stood down June 24)
Anne Chapman – (Appointed January 25)

PRINCIPAL BANKER

National Westminster Bank Plc
5 Market Place
Chesterfield
S40 1TJ

AUDITOR

BDO LLP
Two Snow Hill
Birmingham
B4 6GA

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley
Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

The Trustees, who were also the directors, submit their combined Trustees' annual report and directors' report, along with the strategic report and audited financial statements for the year ended 31 March 2025.

Objectives and Activities

emh Care and Support is a company limited by guarantee, a registered charity and a public benefit entity. The Trustees have paid due regard to the Charity Commission guidance on public benefit and in reviewing our aims and objectives and planning future activities. The Trustees ensure that the activities undertaken are in line with our core purposes, as detailed in the Strategic Report, and as demonstrated in these reports.

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this in a number of ways: -

Supported Housing

We manage approximately 191 lettable rooms across 55 properties, either owned or managed, specifically designed to support adults with learning disabilities, physical disabilities, or mental health needs in living independently. Our accommodation offering is diverse, ranging from single-occupancy units to shared homes for three or four individuals, tailored to meet the varying needs of our customers.

We provide support to customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

Our ongoing strategic review of our property portfolio, including a stock condition survey of each property, has enabled us to develop a more accurate capital investment plan and implement a proactive asset disposal strategy.

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Supported living offers a core support package within our supported living services, this may include and where required a personal one to one tailored package of care on top of the core service. Supported living services offer 24 hours a day and 7 days a week support. We currently support over 127 service users, providing around 11,000 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and two currently have 'good' ratings and one 'requires improvement'.

Objectives and Activities (continued)

Day Services and Social Enterprise



We manage three day centres supporting around 80 customers each week including our own residents and private customers. Over 230 support sessions are run every week providing valuable support to all our customers. We support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners including Adult Care, Adult community Education, Local Authorities and Employment services we provide a range of support and opportunities including, one to one support, support to get out and about in the community, access to learning and education and supported volunteering. We aim to improve life skills, knowledge, social interaction, independence and fulfilment. We secured a new home for our Peak Rail volunteers at Rowsley Station, assisted by Travis Perkins and their community fund we moved an accessible cabin from the Mastin Moor site to it new home at the railway. The cabin includes a disabled toilet and kitchen and replaced our old hut that was no longer fit for purpose.

Extra Care

Our extra care scheme provides residential accommodation and support to people aged 55 years and over as well as those under 55 with a vulnerability. Residents live independently in self-contained apartments and were identified within their assessment, they receive domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 110 units, delivering circa 250 hours of care a week. The homes are owned within the Group. emh Group are committed to continuing to expand our extra care offer with a further 2 schemes in the pipeline. At 75 and 120 units, the schemes are in the early stages and are expected to complete in 2027/28.

Volunteers

Our day services continue to provide a great offer of activities our centres and out and about in the community, working with a range of activity providers including, Matlock Farm Park, Derbyshire Dales District Council, Adult Education Services and the Eco Centre, as well as Arc Leisure Centre, Peak Rail, Dukes Barn, Friends of Hurst Farm, the National Trust at Hardwick Hall, Kirby Leisure Centre, West Nottinghamshire College, Chesterfield Tennis Club, Level Centre, Inclusive Pedals and Alfreton Ace. Fundraising activities have been limited to in house activities this year, coffee mornings, seasonal fairs etc but these have raised hundreds of pounds for our services. Our tradition of hosting annual activity days in Matlock and Chesterfield continues with over 150 disabled people attending the events last summer.

Employment of People with Disabilities

The charity's policy is to give full and fair consideration to applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities. People with disabilities receive appropriate training to promote their career development within the charity. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

Achievements and Performance

As a charity we have compassion and a deep understanding of social issues. We play a role in empowering individuals and families to overcome challenges and thrive. We are part of larger organisations (such as the NCF) so that we can raise awareness about social issues and break down stigmas, advocate for policy changes/social justice, and hold institutions accountable. We do this because we want to create a more equitable society where everyone has the opportunity to succeed, regardless of background.

emh Care and Support work with the people who draw on our services and we have created spaces for people to connect as this can foster a sense of belonging, promoting social cohesion which is a key aspects of community empowerment. We have held workshops on sexual relationships for the people we support and their supporters/family carers. We facilitate community events and support individuals to have meaningful work, such as the peak railways. We encourage participation in the local activities whilst supporting specific events such as the 'Happy Days Disco's' to support individuals to lead a fulfilling life.

We work with individuals to teach and promote daily living skills and knowledge that they need to advocate for themselves, manage their finances, and make informed decisions about their lives. We are committed to listening to the voices of those we support, creating opportunities for growth, connection and independence whilst championing equity.

During the year we have seen our combined satisfaction rating for colleagues, service users and key stakeholders increase from 83% to 88%. This exceeded expectations and is testament to the dedication of colleagues in the business. Latest CQC inspections saw an improvement in rating with areas identified in prior reviews addressed and improved.

We have continued on our digital journey increasing connectivity in our services, ensuring digital records are now business as usual, rolling out digital hardware to all colleagues and building customised reports to inform business decisions.

A thorough review of our Supported Living offer has been undertaken to ensure all delivery is viable. Targets have been set when considering new opportunities to achieve a minimum cost to income ratio.

Following significant work we have increased staff retention and reduced sickness by 20%.

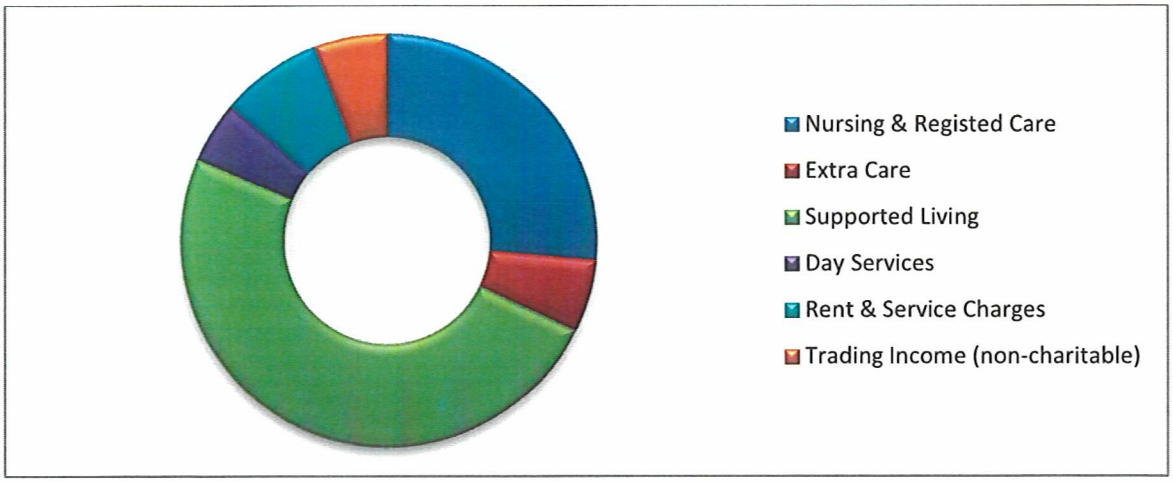
Financial Review

The charity generated £23m of income during the year, an increase of £2m from the prior year. Our supported living offering remained strong as did our registered care services. Income generated from Extra Care reduced following the planned cessation of an external contract. Income generated from noncharitable activities has increased in year following disposal of unviable properties, investment of funds and gift aid from emh group.

94% of our income is generated through our charitable activities in line with prior year results and demonstrates other initiatives being undertaken to support the charities financial position.

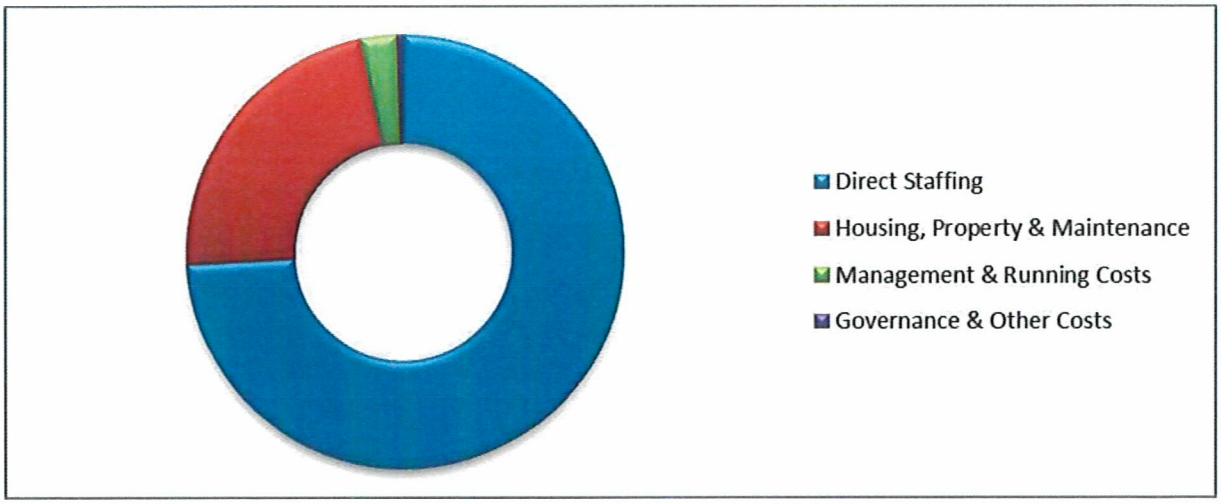
All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -

Financial Review (continued)



The majority of the organisation's income is directed towards the delivery of services and the ongoing maintenance of our properties. The largest area of expenditure continues to be on staffing costs, particularly nurses, support workers, and other front-line personnel who are essential to the effective delivery of our core services

Running costs and overheads totalled £21m for the year, representing a £0.1m increase compared to 2024. Staffing remains our principal area of expenditure, reflecting our commitment to maintaining the highest standards of care. Sector-wide staffing challenges continue to have a financial impact, and to ensure a robust and safe operational structure, we have experienced an increase in management-related costs to support the ongoing delivery of care. The chart below shows the main expenditure areas:



We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives and as our Statement of Financial Activities shows, a surplus has been made in year of £1,920k (2024: (£139k) deficit). A surplus has been achieved for the first time in recent periods, with four out of five operational areas generating an operating surplus. This represents a significant turnaround and reflects the commitment and determination of the organisation to achieve financial sustainability. The result also includes additional income received from disposal of properties, investment of funds and donations received.

Financial Review (continued)

Pension deficit liabilities also reduced in the year from £652k to £504k following the latest triannual evaluation in September 2023 of the SHPS scheme. This reduction generated a gain in the Statement of Financial Activities of £31k (2024: £103k cost). This is included in the overall results above.

While 2025 has seen an improvement in financial viability, it has remained a challenging year. Striking a balance between delivering high-quality services and maintaining financial sustainability continues to be a key organisational priority, with the ultimate aim of ensuring each service area is at least cost-neutral. We are committed to strengthening our financial management culture, closely monitoring performance against budget, and exploring opportunities to expand services where there is a clear financial benefit.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The Trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts, this amounts to c. £5m.

The Trustees acknowledge the inherent risk of the potential loss of significant contracts and consider it prudent to maintain reserves sufficient to cover any associated redundancy costs. Reserves are also held to mitigate the risk of a service becoming financially unviable due to rising costs and reduced income, particularly where the service remains essential to those we support. In addition, the potential need for early replacement of property components has been considered, and a cautious approach has been adopted to ensure financial resilience in this area.

At the end of the financial year the organisation had fixed assets of £7.9m (2024: £8.4m), net current assets of £8.9m (2024: £6.6m) and total funds of £15.8m (2024: £13.9m). The financial position has strengthened in year following stringent controls both operationally and financially with plans in place to ensure this continues in future years. Cash balances have increased in year to £9.1m (2024: £7.0m). These are all above the reserves policy of £5m.

Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Charity prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The board, after reviewing the charity budgets for 2025/26 and the charity's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;
- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;
- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise.

Financial Review (continued)

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Grants and Donations

During the year the charity made no charitable donations (2024: £nil).

The charity has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Structure, Governance and Management

The charity is a wholly owned subsidiary of East Midlands Housing Group Limited, which is a Co-operative and Community Benefit Society and trades as emh Group.

emh Group started its life as a traditional housing association in 1946 and has since established itself as one of the leading providers of affordable housing in the East Midlands region. The Group manages over 22,000 properties across 49 different local authorities and provides over 11,000 hours of care and support to vulnerable and disabled people each week.

The Group describes itself as "profit for purpose", signifying its commitment to demonstrating an increasingly commercial mind-set to its activities, with a focus on efficiency, value for money and sweating its assets in order to deliver its social purpose.

The consolidated accounts for emh Group are available on its website www.emh.co.uk.

Structure, Governance and Management (continued)

Committees, Control and Decision Making

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Group Chief Executive and the Executive Leadership Team.

The following people served as Trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Amanda Ashton* Chair	1/1
Tim Bishop	5/5
Margaret Coward*****	5/5
Mike Lawton	4/5
Simon Ketteridge	5/5
Patricia McCabe	5/5
Roger Merchant**	1/3
Anne Chapman***	1/1
Sarah Woolley****	2/2

* stood down 30 June 2024
** resigned 29 September 2024
*** appointed 1 January 2025
**** resigned 31 August 2024
***** appointed chair 1 July 2024

Day to day decision making has been delegated to those with operational control. The Executive Director, Head of Service and Operations Managers are responsible for approval of support orders, care contracts and payments on behalf of service users.

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our Trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our Trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new Trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The Trustees of the charity at the year-end are detailed on page 2 of these financial statements. The Trustees are also the directors of the charity for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to Trustees (no Trustees are paid) and expenses reimbursed (no expenses were paid).

Structure, Governance and Management (continued)

Stakeholder Engagement, Inclusion and Co-production

Co-production refers to involving people as equal partners in the planning and design of their care and support. In 2023, a Co-production Plan was submitted to the Board, outlining a range of activities and projects that engage people who use our services as partners in driving positive change.

In January 2024, a Co-production Working Group was established. From this, a comprehensive implementation strategy was developed, including a phased four-year project plan to be rolled out across all care and support services.

Phase 1 (2024/25) of the strategy has now been implemented, with several projects delivered across care and support services. The primary aim of this phase was to build a shared understanding of co-production across business areas and to create opportunities for service users to actively participate in decision-making.

Feedback gathered during this phase will also support managers in responding to the new CQC framework, particularly in relation to the Quality Statements.

Arrangements for setting Pay and Remuneration of Key Management Personnel

Decisions regarding remuneration across the Group are ultimately determined by the Group Board, based on recommendations from the Boards of individual entities. As part of the annual budget-setting process, reviews of sector trends, organisational viability, and potential changes in funding are presented to the Executive Leadership Team. These considerations are then submitted to the Remuneration and Governance Committee for review, prior to final approval by the Group Board.

Related Parties

Any connection between a Trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of Trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2024: none).

The Trustees, in their capacity both as Trustees and company directors, have reviewed and approved the Trustees' report, which incorporates the directors' report and it is signed on their behalf by: -

M Coward

M Coward (Aug 29, 2025 10:06:37 GMT+1)

Margaret Coward
Chair

Background

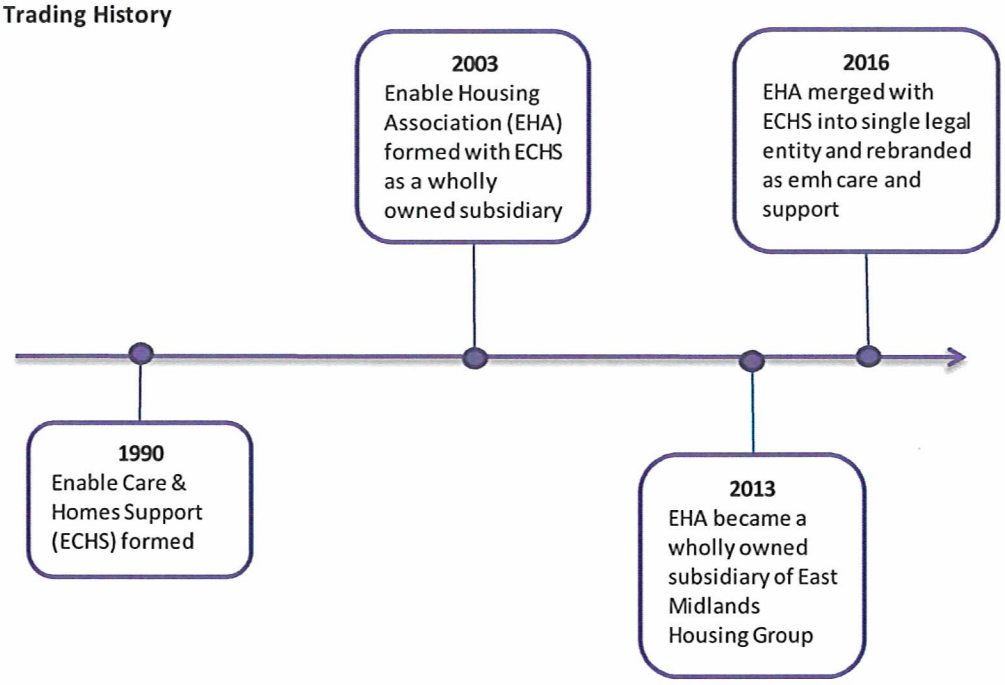
The charity was incorporated on 4th April 1990. Its core activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



Corporate Mission and Aims

The organisation strives to provide homes and care to improve opportunities for people. This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Future Plans

The Group's latest Strategy and Business Plan has been reviewed and updated to cover 2023-2026. To have greater certainty and control over our business, we've switched to having a three-year plan, rather than five years. The Board, in conjunction with our key stakeholders including our customers and staff have identified and updated 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision. We will focus on doing the basics brilliantly, focusing on the things our customers need and value the most.

The long-term funding and sustainability of social care for people in later life and those with disabilities or who need extra support for any other reason remains one of Britain's biggest challenges. Our care business needs to meet the highest standards of performance, quality and compliance and be financially viable.

Our focus remains meeting the needs of people with learning disabilities and people in later life. We will continuously monitor the quality and compliance of our services, ensuring that they remain safe, effective, caring, responsive and well-led. We are committed to meeting the highest standards of care for all of our service users, and to ensuring that they enjoy the best possible quality of life.

Our objectives to deliver this are: -

- ✓ Achieve a surplus of 5% at year end;
- ✓ All our services will be a minimum of CQC good rating;
- ✓ Reduce staff turnover and provide career paths by improving terms, conditions and skills of colleagues;
- ✓ We will draw on our experience and expertise in care to lead on safeguarding compliance for all colleagues and customers;
- ✓ We will work with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will actively negotiate rates and contracts with principal partner local authorities;
- ✓ We will ensure customer satisfaction remains high;
- ✓ We will ensure that all care records digitised by 2024.

Future Plans (continued)

Developing our Services

In line with our Care and Support Strategy, our primary focus continues to be on meeting the needs of individuals with learning disabilities and people in later life. We are committed to delivering the highest standards of care, with the aim of ensuring all service users enjoy the best possible quality of life.

We remain active members of key care and support frameworks and continue to work closely with partners to strengthen and develop these relationships.

The provision of care for older people remains a strategically significant aspect of our service offer. We recognise the growing pressures facing services for older adults—driven by increased life expectancy, a growing population, and sustained underinvestment from both central and local government—and we are proud to contribute to addressing these challenges.

emh currently operates four extra care schemes: St Mary's in Lutterworth, Oak Court in Blaby, Waterside Court in Loughborough, and Springfields in Ashby-de-la-Zouch. In addition, we provide an enhanced intensive housing management service at Wrights Court in Northampton. Our Development Strategy supports the delivery of two additional extra care schemes, reinforcing our commitment to ensuring that at least 10% of our housing development programme is dedicated to supported housing.

Through our partnership work we have identified two opportunities to deliver extra care schemes and continue to progress these. The first scheme is in Leicester City and will provide 75 extra care homes with associated facilities. It is based on an intergenerational model with a mix of working age adults and older people with care and support needs. The second scheme is in Blaby, scheme of 120 homes with associated facilities. Our approach is based on partnership and collaboration with key stakeholders to ensure we design quality schemes integrated within the local community.

Business Review and Operating Environment

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -



Outstanding
The service is performing exceptionally well.



Good
The service is performing well and meeting our expectations.



Requires improvement
The service isn't performing as well as it should be and we have told the service how it must improve.



Inadequate
The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs
5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

Our registered services are rated good by the CQC with the exception of one nursing home which has recently been deemed to require improvement. Our supported living offer is yet to be inspected.

Risk Management

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment remains challenging and uncertain with the ongoing resource scarcity, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emh.co.uk.

As with many providers in our sector the current environment has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We maintained our new working practices with high service standards and continued to access funding where possible to support with increased running costs. As we emerge from the pandemic the landscape is continually monitored and risks identified and mitigated where possible. Challenges in the coming year have been acknowledged and plans are in place to move the services forward and improve the financial position where possible.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Internal Controls

The Group Board is the ultimate governing body for the emh group and is committed to the highest standards of business ethics and conduct across all the operating businesses. The Group has a robust culture of internal controls. The Group's risk management and control culture is further supported by the adoption of the National Housing Federation's Code of Governance.

The Group Board has overall responsibility for the system of internal control and risk management across the group and for reviewing its effectiveness. The Board confirms that it has an approved fraud policy. The policy covers prevention, detection and reporting of fraud. Details of identified frauds are maintained in the fraud register which is reviewed annually by the Audit Committee on behalf of the Board. The Group has also appointed a Money Laundering Reporting Officer as part of its compliance with anti-money laundering legislation.

The Group Chief Executive and Directors have reviewed the effectiveness of the internal control and assurance arrangements and have confirmed to the Board that all relevant regulations, policies and procedures have been complied with during the year. The Group Audit Committee has also expressed its satisfaction with these arrangements in its review of the effectiveness of internal control systems.

The Trustees, in their capacity both as Trustees and company directors, have reviewed and approved the strategic report and it is signed on their behalf by: -

M Coward

M Coward (Aug 29, 2025 10:06:37 GMT+1)

Margaret Coward
Chair

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees are responsible for preparing the Trustees' 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. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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 association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

On behalf of the Board of Trustees

M Coward

M Coward (Aug 29, 2025 10:06:37 GMT+1)

Margaret Coward
Chair

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 2025 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 emh Care and Support Limited ("the Charitable Company") for the year ended 31 March 2025 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).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Independence
We remain 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.

Conclusions related to going concern
In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information
The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the Financial Statements, 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 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
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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be Companies Act 2006, Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP), Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice) and UK tax legislation.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Health and Social Care Act 2008, the Bribery Act 2010, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
    - Obtaining an understanding of the Charitable Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Review of the fraud register for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Extent to which the audit was capable of detecting irregularities, including fraud (continued)
Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates and fraud in revenue recognition in relation to care and support income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- A review of estimates and judgements applied by Management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Testing a sample of care and support income transactions through the year back to contracts;
- Obtaining evidence on the delivery of services; and
- A review of unadjusted differences for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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:
Samantha Lifford
FC86A145C4F04E5...
Samantha Lifford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham, UK
17 September 2025

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

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 Unrestricted Funds	2025 Restricted Funds	2025 Total Funds	2024 Total Funds
		£000	£000	£000	£000
Income and endowments from:					
Donations and legacies	4	165	-	165	250
Charitable activities	3	21,609	-	21,609	19,793
Other income	5	1,147	-	1,147	914
Total Income		22,921	-	22,921	20,957
Expenditure on:					
Charitable activities:	3	20,921	9	20,930	20,820
Other expenditure	6	102	-	102	99
Total Expenditure		21,023	9	21,032	20,919
Net income/(expenditure)	**7**	**1,898**	**(9)**	**1,889**	**38**
Other recognised gains/(losses):					
(Losses) on revaluation of investment properties	12	-	-	-	(74)
Actuarial gains/(losses) on Social Housing Pension Scheme	9	31	-	31	(103)
Net movement in funds		**1,929**	**(9)**	**1,920**	**(139)**
Reconciliation of funds:					
Total funds brought forward at 1 April		13,473	423	13,896	14,035
Total funds carried forward at 31 March		**15,402**	**414**	**15,816**	**13,896**

The results shown above are all derived from continuing activities.

The notes on pages 25 to 50 form part of these financial statements.

EMH CARE AND SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2025

	Note	2025 £000	2024 £000
Fixed assets			
Property assets	12	7,168	7,624
Investment properties	12	370	370
Other fixed assets	12	332	453
		7,870	8,447
Current assets			
Trade and other debtors	14	1,543	1,827
Cash and cash equivalents		9,077	6,992
		10,620	8,819
Creditors: amounts falling due within one year	15	(1,736)	(2,177)
Net current assets		8,884	6,642
Total assets less current liabilities		16,754	15,089
Creditors: amounts falling due after more than one year	16	(434)	(513)
Provision for liabilities			
Other provisions	19	-	(28)
Pension liability	9	(504)	(652)
Net assets		15,816	13,896
Funds			
Restricted	20	414	423
Unrestricted	21	15,402	13,473
		15,816	13,896

The notes on pages 25 to 50 form part of these financial statements.

These financial statements were approved by the Board on 25 July 2025 and were signed on its behalf by:

M Coward

M Coward (Aug 29, 2025 10:06:37 GMT+1)

Margaret Coward

Chair

J.Tilley

J.Tilley (Aug 29, 2025 10:09:06 GMT+1)

Joanne Tilley

Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £000	2024 £000
Net cash inflow/(outflow) from operating activities	26	592	(1,269)
Cash Flows from Investing Activities			
Interest received		297	255
Purchase of tangible assets		(292)	(254)
Receipts from sale of assets		1,488	1,325
Cash provided by Investing Activities		1,493	1,326
Cash Flows from Financing Activities			
Interest paid		-	5
Cash provided by Financing Activities		-	5
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the period		2,085	62
Cash and Cash equivalents at 1 April		6,992	6,930
Cash and Cash equivalents at 31 March		9,077	6,992

	At 1 April 2024 £000	Cash Flows £000	At 31 March 2025 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	6,992	2,085	9,077
Total Cash and Cash equivalents	6,992	2,085	9,077

The notes on pages 25 to 50 form part of these financial statements.

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2025, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation and functional currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited, includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is considered to be a qualifying entity, but has not applied any exemptions available under FRS 102 in respect of disclosures.

Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Charity prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The board, after reviewing the charity budgets for 2025/26 and the charity's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;

- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;

- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

2 Principal Accounting Policies (continued)

Going Concern (continued)
Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Income
All income is included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Registered Care Funding, Supported Living Contracts and Extra Care services are all commissioned services provided to Local Authorities, the NHS or private individuals. These contracts are open ended as long as the services are required and are on Framework funding agreements with the commissioners. Income is recognised at the point the service is delivered.

Rental Income and Service Charges receivable are net of void losses and recognised on the execution of tenancy agreements.

Expenditure
Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. it includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2 Principal Accounting Policies (continued)

Property assets

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the statement of financial activities on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

Structure	50-100 years
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the charity expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Investment Properties

Investment properties consist of properties not used for charitable purposes and let at market rate. They are measured at cost on initial recognition and subsequently at fair value at the year end. Fair value is determined through an annual desktop review or where triggers indicate a valuation may be appropriate. No depreciation is recognised on investment properties.

2 Principal Accounting Policies (continued)

Other tangible fixed assets
Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

Social housing grant
Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the statement of financial activities as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is released to income in the statement of financial activities.

Impairment excluding stocks and deferred tax assets
Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Charity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

2 Principal Accounting Policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

Fixed Assets

The Charities internal controls are designed to identify where impairment triggers for the value of property assets and other fixed assets, as held on the Balance Sheet have occurred through an annual assessment. Where a trigger is identified then an assessment will be performed and where there is evidence of impairment, assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

2 Principal Accounting Policies (continued)

Employee benefits (continued)
The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme
The Social Housing Pension Scheme (SHPS) is a multi-employer scheme which provides benefits to 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The assets of the scheme are held separately from the Charity.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

The NHS Pension Scheme
The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits
Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Contingent liabilities
Contingent liabilities are recognised when either; a possible obligation arises from past events where its existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or where a present obligation arises from past events but is not recognised in the accounts – either because it is not probable that a transfer of economic benefits will be required to settle the obligation, or because the amount of the obligation cannot be measured with sufficient reliability.

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of Trustees monitors reserves at regular board meetings.

2 Principal Accounting Policies (continued)

Funds
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.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents
Comprise of cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Creditors and Provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments
The Charity only has financial assets and financial 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.

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolescence

An obsolesce trigger for impairment has been identified and an impairment review has been performed. Further detail is provided in Note 13.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 9.

3 Charitable Activities	Supported Housing £000	Extra Care £000	Supported Living £000	Nursing Homes £000	Day Services £000	Total £000
Charitable income						
Registered care funding	-	-	-	6,076	-	6,076
Supported living contracts	-	-	11,231	-	-	11,231
Rental income & service charge	1,828	-	-	-	-	1,828
Amortised government grant	5	-	-	-	-	5
Other charitable income	-	1,303	51	-	1,115	2,469
Total Income from Charitable Activities	1,833	1,303	11,282	6,076	1,115	21,609
Charitable expenditure						
Care staff costs	-	1,187	9,306	4,363	732	15,588
Service user allowances						
Housing costs	597	3	3	289	59	951
Maintenance costs	325	-	-	57	29	411
Salaries & management costs	270	192	1,660	894	164	3,180
Registration fees						
Professional fees						
Depreciation	143	-	1	63	13	220
Bad debts	52	-	-	-	-	52
Other costs	209	-	17	223	70	519
Total Expenditure on Charitable Activities	1,596	1,382	10,987	5,889	1,067	20,921
Net income/(expenditure)	237	(79)	295	187	48	688

	2025 £000	2024 £000
Restricted Funds		
Depreciation	9	9
	9	9

	2025 £000	2024 £000
4 Donations and Legacies		
Donation received	165	250
Total Income from Donations and legacies	165	250
5 Other Income		
Fixed asset disposal proceeds	1,346	753
Fixed asset grant abated	73	181
Fixed asset cost of disposals	(569)	(275)
Gain on disposal of fixed assets	850	659
Interest Received	297	255
Total Other Income	1,147	914
6 Other Expenditure		
Interest Payable	29	29
Governance;		
Professional Fees	73	70
	73	70
Total Other Expenditure	102	99
7 Net income/(expenditure)		
Surplus of income over expenditure is arrived at after charging:		
Depreciation & amortisation	231	306
Auditors' remuneration		
For the audit of the annual accounts	73	70

	2025 £000	2024 £000

8 Staff numbers and costs

The average number of persons employed by the charity (including Trustees who are not paid employees) during the year, analysed by category, was as follows:

	2025 Number	2024 Number
Care and support staff	320	330
Office Staff	37	38
Trustees	6	5
	363	373

	2025 £000	2024 £000
Staff costs for the above persons:		
Wages and salaries	12,263	11,661
Social security costs	1,139	1,034
Pension costs	609	597
Termination Benefits	37	43
	14,048	13,335

Termination benefits were cash payments made in the year from reserves.

None of the Trustees received remuneration for their services as Trustees of emh Care & Support Limited (2024: £ nil). Those Trustees who also serve on the East Midlands Housing Group Board are remunerated for their services by East Midlands Housing Group Limited. Expenses of £52 were paid in the year (2024: £ nil).

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Salary bandings for all employees earning over £60,000 (including salary, pension contribution, benefits in kind and termination payments):

	2025 Number	2024 Number
Bands		
£60,001 to £70,000	1	-
£70,001 to £80,000	1	1

9 Employee Benefits

The charity operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2025

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2024	652	-
Loss in the period recognised in the profit & loss account	34	-
Profit in the period recognised to other comprehensive income	(31)	-
Deficit contribution paid	(151)	-
Net liability at 31 March 2025	504	-

The charity participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a deficit of £693m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus.

9 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme

	2025 £'000	2024 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset/(liability)		
Fair value of plan assets	2,795	2,811
Present value of defined benefit obligation	(3,299)	(3,463)
Defined benefit (liability)/asset to be recognised	(504)	(652)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	3,463	3,495
Expenses	5	5
Interest expense	166	168
Actuarial losses/(gains) due to scheme experience	129	(47)
Actuarial losses/(gains) due to changes in demographic assumptions	-	(41)
Actuarial losses/(gains) due to changes in financial assumptions	(334)	8
Benefits paid and expenses	(130)	(125)
Defined benefit obligation at end of period	3,299	3,463
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	2,811	2,836
Interest income	137	139
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(174)	(183)
Contributions by the employer	151	144
Benefits paid and expenses	(130)	(125)
Fair value of plan assets at end of period	2,795	2,811

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was £37,000.

9 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2025 £'000	2024 £'000
Defined benefit costs recognised in net income/expenditure		
Expenses	5	5
Net interest expense	29	29
Defined benefit costs recognised in statement of comprehensive income (SoCI)	34	34
Defined benefit costs recognised in other recognised gains/losses		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	(174)	(183)
Experience gains and losses arising on the plan liabilities - (loss)/gain	(129)	47
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	-	41
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	334	(8)
Total amount recognised in other comprehensive income - (loss)/gain	31	(103)
Assets		
Global Equity	313	280
Absolute Return	-	110
Distressed Opportunities	-	99
Credit Relative Value	-	92
Alternative Risk Premia	-	89
Liquid Alternatives	518	-
Emerging Markets Debt	-	36
Risk Sharing	-	165
Insurance-Linked Securities	9	15
Property	140	113
Infrastructure	-	284
Private Equity	2	2
Real Assets	335	-
Private Debt	-	111
Opportunistic Illiquid Credit	-	110
Private Credit	342	-
Credit Relative Value	107	-
Investment Grade Credit	86	-

9 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2025 £'000	2024 £'000
Assets (continued)		
Cash	38	55
Long Lease Property	1	18
Secured Income	47	84
Liability Driven Investment	847	1,144
Currency Hedging	4	(1)
Net Current Assets	6	5
Total assets	2,795	2,811

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	2025 % per annum	2024 % per annum
Discount Rate	5.73	4.87
Inflation (RPI)	3.13	3.19
Inflation (CPI)	2.76	2.76
Salary Growth	3.76	3.76
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

9 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

The Pensions Trust (TPT) is involved in a current court case regarding the administration of its defined benefit pension schemes, including the Social Housing Pension Scheme (SHPS). Following a benefits review, TPT are asking the court to determine if changes made to the scheme rules in the past were in accordance with the trust deed and rules, and if not, whether certain amendments are invalid. If the court determines that historic amendments have resulted in amendments that are invalid this could result in increased pension liabilities. The court hearing finished on 28 March 2025, no ruling has yet been given nor is expected until late 2025.

The estimated impact on emh Care and Support Limited if these pension changes are ruled not to have been valid is not expected to be material on the financial statements. This estimate is based on the current investment strategy and applicable valuation assumptions used for the purpose of the scheme triennial review. The potential impact on the FRS 102 defined benefit pension obligation is not expected to be materially different from this estimate. The size of the potential liability is due to the retrospective nature of the changes, the length of time involved, and the number of Scheme members affected. In the event of an adverse ruling, the precise impact on the income statement and balance sheet will be assessed and a payment plan would be agreed with the Trustee with payments made, as normal, over a number of years.

Following the ruling in another pensions legal case (Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors), the Trustee was advised that further clarification should be obtained in the Trustee's own court application on several points arising from the judgment. As a result, the Trustee has stated it will not be in a position to assess the extent of the changes (if any) which are required as a result of the Virgin Media judgment until it receives answers to the questions it is asking in its court application. These matters were considered by the High Court in the same hearing that closed on 28 March 2025. No ruling has yet been given. Subsequent to the hearing, the government has stated that it intends to legislate to allow pension schemes to retrospectively obtain actuarial confirmation under section 37 of the Pension Schemes Act 1993. While the legislation has not yet been laid, it is expected that once the new regulations are effective, they will significantly mitigate any risk of additional liabilities on these matters should there be an adverse ruling. At this time, no estimate has been made of the additional liabilities that may have arisen in the event of an adverse ruling by the High Court.

Management have considered all information available to them in respect of the ongoing court case. This includes discussions with the scheme's actuary, information provided by TPT and known information relating to the complexity of the case. Taking all this information together management have concluded that the best estimate of benefits payable used in measuring the defined benefit pension obligation recognised in these financial statements should not include an estimate for any additional liabilities that may arise if the high court makes an adverse ruling.

9 Employee Benefits (continued)

The Pensions Trust - The Growth Plan

The charity participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 March 2028:	£2.1m per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£3.312m per annum (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

9 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

	2025 £'000	2024 £'000
Present Value of provision		
Present value of provision at period end	-	-
Reconciliation of opening and closing provisions		
Provision at start of period	-	2
Deficit contribution paid	-	(2)
Assumptions		
Rate of discount per annum	4.84%	5.31%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

10 Auditors Remuneration

Fees payable to the charity's auditor for the audit of the annual accounts	73	70

11 Taxation

The company is a registered charity and has no trading activities liable to taxation.

12 Fixed Assets

Property Assets	Assets in the course of construction £000	Day service properties £000	Nursing homes properties £000	Supported housing properties £000	Total £000
Cost					
1 April 2024	107	997	3,503	6,466	11,073
Replacement of Components	(2)	19	28	146	191
Disposals	-	(5)	(10)	(745)	(760)
31 March 2025	105	1,011	3,521	5,867	10,504
Accumulated depreciation					
1 April 2024	-	260	1,184	1,688	3,132
Charge for year	-	15	49	111	175
Disposals	-	(5)	(10)	(273)	(288)
31 March 2025	-	270	1,223	1,526	3,019
Impairment					
1 April 2024	-	-	317	-	317
31 March 2025	-	-	317	-	317
Net book value					
31 March 2025	105	741	1,981	4,341	7,168
31 March 2024	107	737	2,002	4,778	7,624

	2025 £000	2024 £000
Investment Properties		
1 April	370	-
Transferred from other fixed assets	-	444
Revaluation	-	(74)
31 March	370	370

The investment property is long leasehold office that the charity no longer uses for its own purposes and has sub-let to a third party on a long term lease.

The last valuation of the property was carried out at December 2023 by Tim Richardson BSc MRICS, a director at FHP Property Consultants and a RICS Registered Valuer. The valuation was prepared on a Market Value and Market Rent basis in accordance with VPS4 of the most recent Red Book.

12 Fixed Assets (continued)

Other Fixed Assets	Freehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost				
1 April 2024	256	596	122	974
Additions	-	102	-	102
Disposals	(256)	(29)	-	(285)
31 March 2025	-	669	122	791
Accumulated depreciation				
1 April 2024	104	296	121	521
Charge for year	-	56	-	56
Disposals	(104)	(14)	-	(118)
31 March 2025	-	338	121	459
Net book value				
31 March 2025	-	331	1	332
31 March 2024	152	300	1	453

13 Impairment of Housing Assets

During the year emh Care & Support carried out a desktop review of its property portfolio as part of its Asset Management Strategy. This identified a number of properties that cost the charity more to hold than the income they are generating using a net present value calculation. As a result a number of properties have been identified which the Board have approved can be disposed of. This is a trigger for impairment.

emh Care & Support estimated the recoverable amount of these properties as follows:

a) Determined the level at which the recoverable amount is to be assessed i.e. the cash generating unit (CGU) level. The CGU was determined to be an individual property;

b) Estimated the recoverable amount of the CGU;

c) Calculated the carrying amount of the CGU and;

d) Compared the carrying amount to the recoverable amounts to determine if an impairment loss had occurred.

Based on this assessment, the Charity calculated the recoverable amount of each property, using estimated market values. Comparing this to the carrying amount of each property, the Charity, determined that no impairment charge was to be made against its properties.

	2025 £000	2024 £000
14 Debtors		
Current tenant arrears	43	42
Less provision for bad and doubtful debts	(19)	(20)
Former tenant arrears	-	4
Less provision for bad and doubtful debts	-	(4)
Trade debtors	624	718
Less provision for trade debtors	(254)	(50)
Prepayments and accrued income	840	892
Other debtors	6	19
Amounts due from Group Companies	303	226
	1,543	1,827

Amounts due from group companies ate interest free and repayable on demand.

15 Creditors: amounts falling due within one year		
Trade creditors	377	282
Rent received in advance	34	81
Accruals and deferred income (see note 17)	910	1,495
Taxation and social security	243	236
Leave pay	9	-
Other creditors	24	25
Amounts due to Group Companies	139	58
	1,736	2,177

Amounts due to group companies are interest free and repayable on demand.

16 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 18)	434	513
	434	513

17 Deferred Income

Included within Accruals and deferred income in note 15 are the following deferred income balances.

	At 1 April 2024	Released to income in year	Deferred in year	At 31 March 2025
TUPE Overpayment	348	(348)	-	-
TUPE Bed Fees	160	(160)	208	208
Others	10	(9)	45	46
	518	(517)	253	254

The TUPE overpayment related to fees from Derbyshire County Council that have been received in excess of the contractual charges and were awaiting refund. The TUPE Bed Fees relate to income from Derbyshire County Council that is invoiced a month in advance. The Others are sundry amounts relating to fees and grants that's are either refundable or not yet spent.

18 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2024	513	513
Released to income in the year	(6)	(6)
Disposed in the year	(73)	(73)
At 31 March 2025	434	434

19 Provision for Liabilities

	Opening balance as at 1 April 2024	Additional Commitments made during the year	Reclassified as Accruals	Closing balance as at 31 March 2025
Leave Pay	28	-	(28)	-
	28	-	(28)	-

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence. Following a review in the year this provision has been reclassified as an Accrual and is now reported in Creditors: Amounts falling due within one year.

20 Restricted Funds	Balance at 1 April 2024 £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2025 £000
Property fund - NHS	329	(7)	-	322
SEIF Capital Grant	94	(2)	-	92
	423	(9)	-	414

The Property fund - NHS relates to 5 properties transferred from the NHS to the charity in March 1999 and represents the net book value of these properties. The properties must be used for the provision of residential and nursing care support and accommodation to the local public. The charge each year is the depreciation charged on the properties.

The SEIF Capital fund relates to a single property and represents the net book value of improvement works carried out to the property in 2011 funded by the Social Enterprise Investment Fund administered by the then Department of Health. The property must be used for ongoing care. The charge each year is the depreciation charged on the improvement works.

21 Unrestricted Funds

	Balance at 1 April 2024 £000	Income £000	Expenditure £000	Gains & Losses £000	Balance at 31 March 2025 £000
Retained Surpluses	13,473	22,921	(21,023)	31	15,402
	13,473	22,921	(21,023)	31	15,402

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Gains & Losses / Transfers £000	Balance at 31 March 2024 £000
Retained Surpluses	13,304	20,957	(20,910)	122	13,473
	13,304	20,957	(20,910)	122	13,473

22 Analysis of Assets & Liabilities between Funds

	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Fixed assets	7,456	414	7,870
Current assets	10,620	-	10,620
Creditors: amounts falling due within one year	(1,736)	-	(1,736)
Creditors: amounts falling due after more than one year	(434)	-	(434)
Provision for liabilities	(504)	-	(504)
Net assets	15,402	414	15,816

23 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the charity. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the charity decides to sell the property, then the charity would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2025 £000	2024 £000
24 Related party transactions		

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:		
emh Housing & Regeneration Ltd	626	645

Sales to emh Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	1,163	1,282
emh Housing & Regeneration Limited	99	84
Sharpes Garden Services Limited	96	80

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from emh Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate. Purchases from Sharpes Garden Services are provision of gardening services and contract management services, these charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors		
East Midlands Housing Group Limited	2	-
emh Housing & Regeneration Ltd	301	226
Creditors		
East Midlands Housing Group Limited	136	58
Sharpes Garden Services Limited	3	-

25 Ultimate Control

Ultimate control of the charity lies with the Trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emh.co.uk.

East Midlands Housing Group is a Registered Provider under the Co-operative and Community Benefit Society Act 2014 and is non-charitable. It is registered with the Financial Conduct Authority in England, with registration number IP030476 and is the parent company of emh Group.

emh Group started its life as a traditional housing association in 1946 and has since established itself as one of the leading providers of affordable housing in the East Midlands region. The Group manages over 22,000 properties across 49 different local authorities and provides over 11,000 hours of care and support to vulnerable and disabled people each week.

East Midlands Housing Group is the only member of the charity and exercises control through the power to appoint or remove Trustees.

26 Notes to the Cash Flow Statement

	2025 £000	2024 £000
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income for reporting period (as per the statement of financial activities)	1,920	(139)
Adjustments for :		
Depreciation charges	231	306
(Gain) on disposal of assets	(850)	(659)
Interest Receivable	(297)	(255)
Interest Payable	29	29
Deferred government grants	(6)	(9)
Pensions costs less contributions payable	(177)	(44)
Grant abated	(73)	(181)
Restricted reserves disposed	-	(373)
Decrease in debtors	282	(224)
Increase in creditors	(439)	330
Decrease in provisions	(28)	(50)
Net cash inflow/(outflow) from operating activities	592	(1,269)

EMH CS Accounts 2024-25

Final Audit Report 2025-08-29

Created:	2025-08-28
By:	Sally Stokes (sally.stokes@emhgroup.org.uk)
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EMH CARE AND SUPPORT LIMITED

England & Wales - Charity number 1001704

Accounts

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2024





EMH CARE AND SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2024

TRUSTEES

Margaret Coward – Chair (appointed Chair June 24)
Prof Amanda Ashton – Chair (resigned June 24)
Patricia McCabe
Roger Merchant
Simon Ketteridge
Sarah Woolley (appointed September 23)
Mike Lawton (appointed February 24)
Tim Bishop (appointed February 24)

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EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2024.

Structure, Governance & Management

Background

emh Care and Support is a company limited by guarantee, a registered charity and a public benefit entity. The Trustees have paid due regard to the Charity Commission guidance on public benefit and in reviewing our aims and objectives and planning future activities. The Trustees ensure that the activities undertaken are in line with our core purposes, stated below, and as demonstrated in this report.

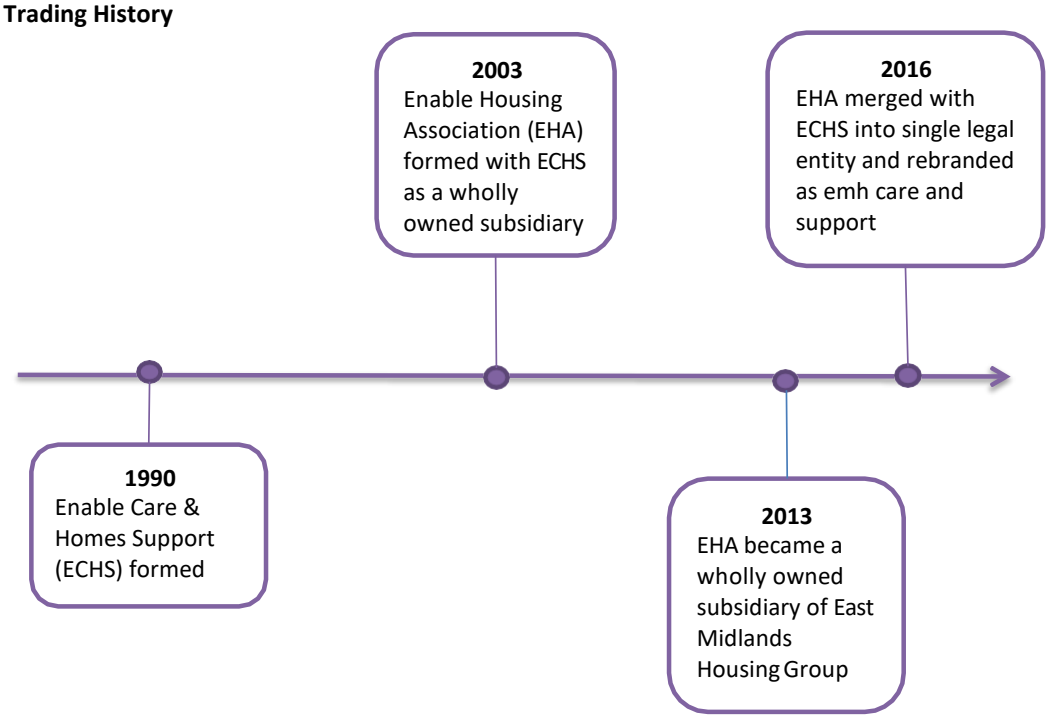
The charity was incorporated on 4th April 1990. Its core activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons ;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



Structure, Governance & Management (continued)

The consolidated accounts for emh group are available on its website **www.emhgroup.org.uk**.

Committees, Control and Decision Making

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team. The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Amanda Ashton Chair	5/6
Tim Bishop*	1/1
Margaret Coward	6/6
Mike Lawton*	1/1
Simon Ketteridge	6/6
Patricia McCabe	6/6
Roger Merchant	3/6
Sarah Woolley**	3/3

* Appointed February 24
** Appointed September 23

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the charity at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the charity for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Structure, Governance & Management (continued)

Stakeholder Engagement, Inclusion and Co-production

Co-production describes ways of involving people as equal partners, in the planning and design of their care and support. A Co-production plan for 2023 was submitted to the Board that includes various activities and projects that engages people using our services as partners in developing positive changes in services, and the ways people are supported to live their lives. In January 2024 a co-production working group was established and from that, a strategy for implementation was designed. This also included the design and development of a phased 4-year project plan for implementation across all care and support services. Phase 1 commenced in April 2024 and will focus on education & training around co-production for staff and service users. Work during this phase will seek to gather feedback from the people who use our services so that improvement plans can be developed. The feedback gained, will also support managers to formulate responses to the new CQC framework, especially around the Quality Statements.

Volunteers

Our day services continue to provide a great offer of activities our centres and out and about in the community, working with a range of activity providers including, Matlock Farm Park, Derbyshire Dales District Council, Adult Education Services and the Eco Centre, as well as Arc Leisure Centre, Peak Rail, Dukes Barn, Friends of Hurst Farm, the National Trust at Hardwick Hall, Kirby Leisure Centre, West Nottinghamshire College, Chesterfield Tennis Club, Level Centre, Inclusive Pedals and Alfreton Ace. Fundraising activities have been limited to in house activities this year, coffee mornings, seasonal fairs etc but these have raised hundreds of pounds for our services. Our tradition of hosting annual activity days in Matlock and Chesterfield continues with over 150 disabled people attending the events last summer.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2023: none).

Corporate Mission and Aims

The organisation strives to provide homes and care to improve opportunities for people**.** This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this in a number of ways: -

Supported Housing

We manage circa 230 lettable rooms across 60 homes, either owned or managed, specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

We have undertaken a strategic review of our properties, carrying out a stock condition assessment of each one in order to build a more accurate capital investment plan and initiate an active asset disposal strategy.

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 125 service users, providing around 11,000 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Charitable Activities (continued)

Day Services and Social Enterprise



We manage 4 day centres supporting around 77 customers each week including our own residents and private customers. Over 230 support sessions are run every week providing valuable support to all our customers. We support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners including Adult Care, Adult community Education, Local Authorities and Employment services we provide a range of support and opportunities including, one to one support, support to get out and about in the community, access to learning and education and supported volunteering. We aim to improve life skills, knowledge, social interaction, independence and fulfilment. In January 2024 we took the decision to close the service we provided from All Saints in Huthwaite. The JT project had seen a steady reduction in attendees over the years with very few new referrals while 5 Senses, just a few miles away had seen steady growth. We consulted with attendees and their family carers about closing the service and offered everyone the opportunity to move their activities and support to 5 Senses. All bar one person transferred to 5 Senses and the transition went smoothly and people are very positive about the change. We secured a new home for our Peak Rail volunteers at Rowsley Station, assisted by Travis Perkins and their community fund we moved an accessible cabin from the Mastin Moor site to it new home at the railway. The cabin includes a disabled toilet and kitchen and replaced our old hut that was no longer fit for purpose.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 300 units, delivering circa 670 hours of care a week. Some homes are owned within the Group and some won on a tender basis.
emh are committed to continuing to expand our extra care offer with a further 2 schemes in the pipeline. At 75 and 120 units, the schemes are in the early stages and are expected to complete in 2027/28.

Future Plans

The Group's latest Strategy and Business Plan has been reviewed and updated to cover 2023-2026. To have greater certainty and control over our business, we've switched to having a three-year plan, rather than five years. The Board, in conjunction with our key stakeholders including our customers and staff have identified and updated 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision. We will focus on doing the basics brilliantly, focusing on the things our customers need and value the most.

The long-term funding and sustainability of social care for people in later life and those with disabilities or who need extra support for any other reason remains one of Britain's biggest challenges. Our care business needs to meet the highest standards of performance, quality and compliance and be financially viable.

Future Plans (continued)

Our focus remains meeting the needs of people with learning disabilities and people in later life. We will continuously monitor the quality and compliance of our services, ensuring that they remain safe, effective, caring, responsive and well-led. We are committed to meeting the highest standards of care for all of our service users, and to ensuring that they enjoy the best possible quality of life.

Our objectives to deliver this are: -

- ✓ Achieve a surplus of 5% at year end;
- ✓ All our services will be a minimum of CQC good rating;
- ✓ Reduce staff turnover and provide career paths by improving terms, conditions and skills of colleagues;
- ✓ We will draw on our experience and expertise in care to lead on safeguarding compliance for all colleagues and customers;
- ✓ We will work with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will actively negotiate rates and contracts with principal partner local authorities;
- ✓ We will ensure customer satisfaction remains high;
- ✓ We will ensure that all care records digitised by 2024.

Developing our Services

As per the Care and Support Strategy our key focus remains meeting the needs of people with learning disabilities and people in later life. We are committed to meeting the highest standards of care for all of our service users, and to ensuring that they enjoy the best possible quality of life.

We remain longstanding members of key frameworks and are working closely with partners to maintain and develop those relationships.

The delivery of care to older people is a strategically important part of our service offering and recognises the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution. emh has four extra care schemes that are operational at present, St Mary's Lutterworth, Oak Court Blay, Waterside Court Loughborough, and Springfields Ashby de la Zouch with an enhanced intensive housing management offering at Wrights Court Northampton. Our Development Strategy supports the provision of two further extra care schemes as part of our commitment to delivering 10% supported housing within our programme.

Through our partnership work we have identified two opportunities to deliver extra care schemes and continue to progress these. The first scheme is in Leicester City and will provide 75 extra care homes with associated facilities.

It is based on an intergenerational model with a mix of working age adults and older people with care and support needs. The second scheme is in Blaby, scheme of 120 homes with associated facilities. Our approach is based on partnership and collaboration with key stakeholders to ensure we design quality schemes integrated within the local community.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -



Outstanding
The service is performing exceptionally well.



Good
The service is performing well and meeting our expectations.



Requires improvement
The service isn't performing as well as it should be and we have told the service how it must improve.



Inadequate
The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs
5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

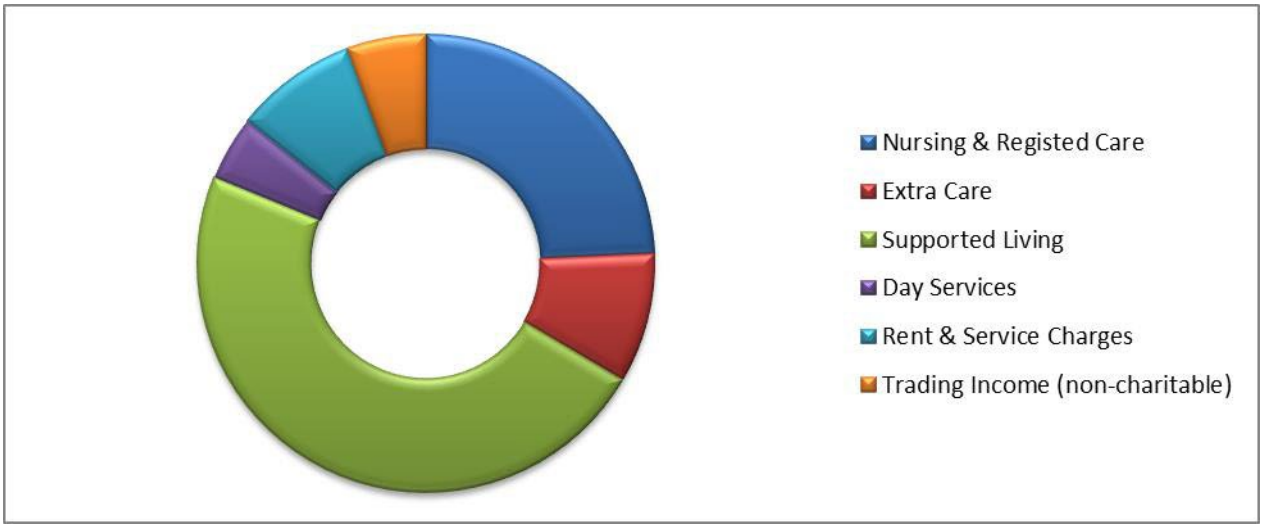
Our registered services are rated good by the CQC with the exception of one nursing home which has recently been deemed to require improvement. Our supported living off is yet to be inspected.

Financial Review & Reserves Policy

The charity generated £21m of income during the year, an increase of £2.7m from the prior year. Our supported living offering remained strong as did our extra care services. Income generated from noncharitable activities has increased in year following disposal of unviable properties, investment of funds and gift aid from emh group.

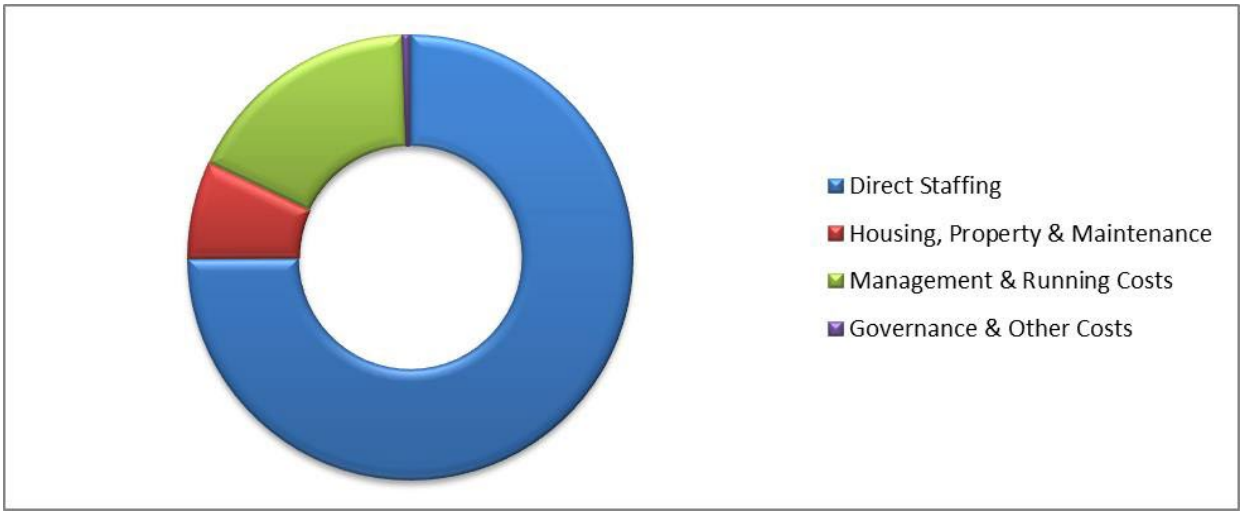
94% of our income is generated through our charitable activities. This has decreased from 99% in the previous year as other initiatives are undertaken to support the charities financial position.

All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

Running costs and overheads of £20.9m were incurred in the year, £1.3m higher than in 2023. Our main expenditure remains on staffing to ensure we continue to provide the highest level of care. Staffing challenges are still evident in the sector and we continue to see the effects of this financially. In order to have a robust and safe structure we have seen costs increase in our management structure to support our ongoing care levels. The chart below shows the main expenditure areas:



Financial Review & Reserves Policy (continued)

Whilst we aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives, our Statement of Financial Activities shows a deficit for the year of (£139k) (2023: (£1,475k) deficit). This is now the third year in deficit and includes additional income received from disposal of properties, investment of funds and gift aid received. Due to these additional income streams the charity generated a £38k surplus prior to adjustments being made.

One such adjustment that led to the deficit includes the increase in pension liabilities of £103k following the reassessment by the actuary. Strategic plans are in place to mitigate these losses in the future. At present the total pension liability is £652k with the results from the latest triannual evaluation in September 2023 still undisclosed. During the year the office previously used by the charity was leased to a third party and the reclassification to an investment property resulted in a £74k loss in year. This action will see overheads reduce in future years as the office base now used is more economical.

2024 has been another challenging year and balancing quality services with financial viability will continue to be a key focus of the organisation with our ultimate aim being for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts, this amounts to c. £5m.

The trustees also accept that there is always an inherent risk that the charity could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

At the end of the financial year the organisation had fixed assets of £8.4m (2023: £8.8m), net current assets of £6.6m (2023: £6.7m) and total funds of £13.9m (2023: £14m). Whilst the strength of the financial position has again eroded in year the active asset disposal programme has supported the cash flow in year and steps are being taken to ensure a healthy position going in to the next financial year. Cash balances have held in year at £7m. These are all above the reserves policy of £5m.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment remains challenging and uncertain with the ongoing resource scarcity, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

Risk (continued)

As with many providers in our sector the current environment has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We maintained our new working practices with high service standards and continued to access funding where possible to support with increased running costs. As we emerge from the pandemic the landscape is continually monitored and risks identified and mitigated where possible. Challenges in the coming year have been acknowledged and plans are in place to move the services forward and improve the financial position where possible.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of People with Disabilities

The charity's policy is to give full and fair consideration to applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities. People with disabilities receive appropriate training to promote their career development within the charity. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

Grants and Donations

During the year the charity made no charitable donations (2023: £nil).

The charity has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees, in their capacity both as trustees and company directors, have reviewed and approved the trustees' report, which incorporates the directors' report and strategic report and it is signed on their behalf by: -

J.Tilley
J.Tilley (Jul 30, 2024 12:25 GMT+1)

JOANNE TILLEY
Secretary
26th July 2024

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

The trustees are responsible for preparing the Trustees' 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. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable charity or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

M Coward

M Coward (Aug 5, 2024 15:35 GMT+1)

Margaret Coward
Chair
26th July 2024

Opinion
We have audited the financial statements of emh Care and Support Limited ("the charitable company") for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 2.

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 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees, the audit committee and inspection of policy documentation as to the Charitable company's high-level policies and procedures to prevent and detect fraud, and the Charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that Care and Support income is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Charitable company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue, cash and borrowings transactions posted to unexpected account combinations.
- Sample testing of care and support income to 31 March 2024 and the period post 31 March 2024 to determine whether income is recognised in the correct accounting period.

Fraud and breaches of laws and regulations – ability to detect (continued)
Identifying and responding to risks of material misstatement related to compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards), and discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable company is subject to 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 and data protection laws, recognising the regulated nature of the charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Trustees' report
The Trustees are responsible for the Trustees' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Trustees' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Trustees' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 13, the Trustees are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Charitable company or to cease operations, or have no realistic alternative but to do so.

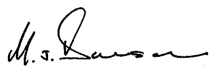
Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH
19 August 2024

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 Unrestricted Funds £000	2024 Restricted Funds £000	2024 Total Funds £000	2023 Total Funds £000
Income from :					
Income from Charitable Activities	3	19,793	-	19,793	18,036
Gift Aid Received		250	-	250	-
Other income	4	914	-	914	212
Total Incoming Resources		20,957	-	20,957	18,248
Resources Expended					
Expenditure on :					
Charitable activities:	3	20,811	9	20,820	19,566
Other Expenditure	5	99	-	99	51
Total Resources Expended		20,910	9	20,919	19,617
Gains/(losses) on investment properties	11	(74)	-	(74)	-
Remeasurement of Social Housing Pension Scheme	8	(103)	-	(103)	(106)
Net incoming resources before transfers		(130)	(9)	(139)	(1,475)
Transfers					
Gross transfers between funds		299	(299)	-	-
Net movement in funds		169	(308)	(139)	(1,475)
Funds brought forward at 1 April 2023		13,304	731	14,035	15,510
Funds carried forward at 31 March 2024		13,473	423	13,896	14,035

The results shown above are all derived from continuing activities.

The accompanying notes form part of these financial statements.

EMH CARE AND SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

	Note	2024 £000	2023 £000
Fixed assets			
Housing properties	11	7,624	7,825
Investment properties	11	370	-
Other fixed assets	11	453	968
		8,447	8,793
Current assets			
Trade and other debtors	13	1,827	1,600
Cash and cash equivalents		6,992	6,930
		8,819	8,530
Creditors: amounts falling due within one year	14	(2,177)	(1,848)
Net current assets		6,642	6,682
Total assets less current liabilities		15,089	15,475
Creditors: amounts falling due after more than one year	15	(513)	(703)
Provision for liabilities			
Other provisions	18	(28)	(78)
Pension liability	8	(652)	(659)
Net assets		13,896	14,035
Funds			
Restricted	19	423	731
Unrestricted	20	13,473	13,304
		13,896	14,035

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board on 26 July 2024 and were signed on its behalf by:

M Coward

M Coward (Aug 5, 2024 15:35 GMT+1)

Margaret Coward

Chair

J.Tilley

J.Tilley (Jul 30, 2024 12:25 GMT+1)

Joanne Tilley

Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £000	2023 £000
Net cash inflow/(outflow) from operating activities	24	(1,269)	(671)
Cash Flows from Investing Activities			
Interest received		255	2
Purchase of tangible assets		(254)	(137)
Receipts from sale of assets		1,325	600
Cash provided by (used by) Investing Activities		1,326	465
Cash Flows from Financing Activities			
Interest paid		5	5
Cash provided by Financing Activities		5	5
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period		62	(201)
Cash and Cash equivalents at 1 April		6,930	7,131
Cash and Cash equivalents at 31 March		6,992	6,930

	At 1 April 2023 £000	Cash Flows £000	At 31 March 2024 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	6,930	62	6,992
Total Cash and Cash equivalents	6,930	62	6,992

The accompanying notes form part of these financial statements.

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2024, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is considered to be a qualifying entity, but has not applied any exemptions available under FRS 102 in respect of disclosures.

Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2024 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The board, after reviewing the charity budgets for 2024/25 and the charity's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;

- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;

- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

2 Principal Accounting Policies (continued)

Going Concern (continued)

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. it includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2 Principal Accounting Policies (continued)

Housing properties

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the charity expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Investment Properties

Investment properties consist of properties not used for charitable purposes and let at market rate. They are measured at cost on initial recognition and subsequently at fair value at the year end. Fair value is determined through an annual desktop review or where triggers indicate a valuation may be appropriate.

Other tangible fixed assets

Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant

Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial assets is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Charity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets

The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) is a multi-employer scheme which provides benefits to 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The assets of the scheme are held separately from the Charity.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2 Principal Accounting Policies (continued)

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds
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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out above in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents
Comprise of cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Creditors and Provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Charity recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

2 Principal Accounting Policies (continued)

Financial Instruments

The Charity only has financial assets and financial 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.

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolescence

No triggers for impairment have been identified.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

	2024	2023
	£000	£000
3 Charitable Activities		
Income from Charitable Activities		
Registered care funding	5,089	5,112
Supported living contracts	9,997	11,069
Rental income & service charges	1,796	1,835
Amortised government grant	8	9
Other Charitable Income	2,903	11
Total Income from Charitable Activities	19,793	18,036
Expenditure on Charitable Activities		
Care staff costs, including training	15,666	14,996
Service user allowances	-	84
Housing costs	745	991
Maintenance costs	436	501
Salaries & management costs	3,050	2,609
Registration fees	-	9
Professional fees	49	49
Depreciation and impairment	296	326
Bad Debts	47	49
Other costs	522	(59)
Total Expenditure on Charitable Activities	20,811	19,555
Restricted Funds		
Depreciation and impairment	9	11
	9	11
4 Other Income		
Fixed asset disposal proceeds	753	600
Fixed asset grant abated	181	-
Fixed asset cost of disposals	(275)	(464)
Gain on disposal of fixed assets	659	136
Interest Received	255	2
Other Income	-	74
Total Other Income	914	212

	2024 £000	2023 £000
5 Other Expenditure		
Interest Payable	29	17
Governance;		
Professional Fees	70	34
	70	34
Total Other Expenditure	99	51

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:		
Depreciation & amortisation	306	337
Auditors remuneration	70	34

7 Staff numbers and costs

The average number of persons employed by the charity (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2024 Number	2023 Number
Care and support staff	330	415
Office Staff	38	46
Trustees	5	5
	373	466

The methodology for calculating staff numbers has been changed in the year to ensure consistency across emh Group and now excludes leavers.

	2024 £000	2023 £000
Staff costs for the above persons:		
Wages and salaries	11,661	11,190
Social security costs	1,034	1,039
Pension costs	597	596
Termination Benefits	43	9
	13,335	12,834

None of the trustees received remuneration or expenses for their services as trustees of emh Care & Support Limited. Those trustees who also serve on the East Midlands Housing Group Board are remunerated for their services by East Midlands Housing Group Limited year (2023: £ nil).

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

7 Staff numbers and costs (continued)

Salary bandings for all employees earning over £60,000 (including salary, pension contribution, benefits in kind and termination payments):

	2024 Number	2023 Number
Bands		
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-

8 Employee Benefits

The charity operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2024

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2023	659	2
Loss in the period charged to the profit & loss account	34	(2)
Loss in the period charged to other comprehensive income	103	-
Deficit contribution paid	(144)	-
Net liability at 31 March 2024	652	-

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme

The charity participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus.

	2024 £'000	2023 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	2,811	2,836
Present value of defined benefit obligation	(3,463)	(3,495)
Defined benefit (liability)/asset to be recognised	(652)	(659)

	2024 £'000	2023 £'000
8 Employee Benefits (continued)		
The Pensions Trust - Social Housing Pension Scheme (continued)		
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	3,495	4,725
Expenses	5	5
Interest expense	168	130
Actuarial losses/(gains) due to scheme experience	(47)	64
Actuarial losses/(gains) due to changes in demographic assumptions	(41)	(9)
Actuarial losses/(gains) due to changes in financial assumptions	8	(1,301)
Benefits paid and expenses	(125)	(119)
Defined benefit obligation at end of period	3,463	3,495
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	2,836	4,058
Interest income	139	113
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(183)	(1,352)
Contributions by the employer	144	136
Benefits paid and expenses	(125)	(119)
Fair value of plan assets at end of period	2,811	2,836
The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £(44,000).		
Defined benefit costs recognised in statement of comprehensive income (SOCI)		
Expenses	5	5
Net interest expense	29	17
Defined benefit costs recognised in statement of comprehensive income (SoCI)	34	22
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	(183)	(1,352)
Experience gains and losses arising on the plan liabilities - (loss)/gain	47	(64)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	41	9
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(8)	1,301
Total amount recognised in other comprehensive income - (loss)/gain	(103)	(106)

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2024	2023
	£'000	£'000
Assets		
Global Equity	280	53
Absolute Return	110	31
Distressed Opportunities	99	86
Credit Relative Value	92	107
Alternative Risk Premia	89	5
Emerging Markets Debt	36	15
Risk Sharing	165	209
Insurance-Linked Securities	15	72
Property	113	122
Infrastructure	284	324
Private Equity	2	-
Private Debt	111	126
Opportunistic Illiquid Credit	110	121
High Yield	-	10
Cash	55	20
Long Lease Property	18	86
Secured Income	84	130
Liability Driven Investment	1,144	1,307
Currency Hedging	(1)	5
Net Current Assets	5	7
Total assets	2,811	2,836

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2024 % per annum	2023 % per annum
Discount Rate	4.87	4.88
Inflation (RPI)	3.19	3.20
Inflation (CPI)	2.76	2.74
Salary Growth	3.76	3.74
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

At 31st March 2024, the discount rate model was updated from "The Mercer Yield Curve - without options" to "The Mercer Yield Curve - expanded dataset". A key difference is that the revised model uses extra high quality corporate bond data, resulting in an assumption that is less volatile and more in line with other market curves.

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

The Charity expects to contribute £151k to the scheme in the period to 31 March 2025.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2025 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan

The charity participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	(payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2024 £000	2023 £000
8 Employee Benefits (continued)		
The Pensions Trust - The Growth Plan (continued)		
Present Value of provision		
Present value of provision at period end	-	2
Reconciliation of opening and closing provisions		
Provision at start of period	2	2
Deficit contribution paid	(2)	-
Provision at the end of period	-	2
Assumptions		
Rate of discount per annum	5.31%	5.52%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration		
Fees payable to the charity's auditor for the audit of the annual accounts	70	34

10 Taxation

The company is a registered charity and has no trading activities liable to taxation

11 Fixed Assets

Housing Assets	Assets in the course of construction £000	Day service properties £000	Nursing homes properties £000	Supported housing properties £000	Total £000
Cost					
1 April 2023	-	1,265	3,503	6,425	11,193
Replacement of Components	107	-	-	65	172
Disposals	-	(268)	-	(24)	(292)
31 March 2024	107	997	3,503	6,466	11,073
Accumulated depreciation					
1 April 2023	-	296	1,139	1,616	3,051
Charge for year	-	17	45	94	156
Disposals	-	(53)	-	(22)	(75)
31 March 2024	-	260	1,184	1,688	3,132
Impairment					
1 April 2023	-	-	317	-	317
31 March 2024	-	-	317	-	317
Net book value					
31 March 2024	107	737	2,002	4,778	7,624
31 March 2023	-	969	2,047	4,809	7,825

Investment Properties	2024 £000	2023 £000
1 April 2023	-	-
Transferred from other fixed assets	444	-
Revaluation	(74)	-
31 March 2024	370	-

The investment property is long leasehold office that the charity no longer uses for its own purposes and has sub-let to a third party on a long term lease.

The last valuation of the property was carried out at December 2023 by Tim Richardson BSc MRICS, a director at FHP Property Consultants and a RICS Registered Valuer. The valuation was prepared on a Market Value and Market Rent basis in accordance with VPS4 of the most recent Red Book.

11 Fixed Assets (continued)

Other Fixed Assets	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2023	256	863	480	173	1,772
Additions	-	-	81	-	81
Disposals	-	(698)	(130)	(51)	(879)
Transfers	-	(165)	165	-	-
31 March 2024	256	-	596	122	974
Accumulated depreciation					
1 April 2023	100	211	332	161	804
Charge for year	3	52	84	11	150
Disposals	-	(262)	(120)	(51)	(433)
Transfers	1	(1)	-	-	-
31 March 2024	104	-	296	121	521
Net book value					
31 March 2024	152	-	300	1	453
31 March 2023	156	652	148	12	968

	2024 £000	2023 £000
12 Impairment of Housing Assets		

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors		
Current tenant arrears	42	44
Less provision for bad and doubtful debts	(20)	(27)
Former tenant arrears	4	1
Less provision for bad and doubtful debts	(4)	(1)
Trade debtors	718	776
Less provision for trade debtors	(50)	(87)
Prepayments and accrued income	892	787
Other debtors	19	9
Amounts due from Group Companies	226	98
	1,827	1,600

14 Creditors: amounts falling due within one year		
Trade creditors	282	685
Rent received in advance	81	82
Accruals and deferred income	1,495	1,004
Taxation and social security	236	-
Pension deficit contributions	-	2
Other creditors	25	25
Amounts due to Group Companies	58	50
	2,177	1,848

	2024 £000	2023 £000
15 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 17)	513	703
	513	703

16 Deferred Income

Included within Accruals and deferred income in note 14 are the following deferred income balances.

	At 1 April 2023	Released to income in year	Deferred in year	At 31 March 2024
TUPE Overpayment	138	-	210	348
TUPE Bed Fees	164	(164)	160	160
Others	2	-	8	10
	304	(164)	378	518

The TUPE overpayment relates to fees from Derbyshire County Council that have been received in excess of the contractual charges and are awaiting refund. The TUPE Bed Fees relate to income from Derbyshire County Council that is invoiced a month in advance. The Others are sundry amounts relating to fees and grants that's are either refundable or not yet spent.

17 Deferred Government Grants

	Social housing grant £'000	**Total £'000**
At 1 April 2023	703	703
Received in the year	-	-
Released to income in the year	(9)	(9)
Disposed in the year	(181)	(181)
At 31 March 2024	513	513

18 Provision for Liabilities

	Opening balance as at 1 April 2023	**Additional Commitments made during the year**	**Provisions reversed during the year**	**Closing balance as at 31 March 2024**
Leave Pay	78	-	(50)	28
	78	-	(50)	28

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

19 Restricted Funds	Balance at 1 April 2023 £000	Outgoing Resources £000	Transfers £000	Balance at 31 March 2024 £000
Property fund - NHS	635	(7)	(299)	329
SEIF Capital Grant	96	(2)	-	94
	731	(9)	(299)	423

The Property fund - NHS relates to 5 properties transferred from the NHS to the charity in March 1999 and represents the net book value of these properties. The properties must be used for the provision of residential and nursing care support and accommodation to the local public. The charge each year is the depreciation charged on the properties. An adjustment was made in the year for historical depreciation previously allocated to the unrestricted reserves.

The SEIF Capital fund relates to a single property and represents the net book value of improvement works carried out to the property in 2011 funded by the Social Enterprise Investment Fund administered by the then Department of Health. The property must be used for ongoing care. The charge each year is the depreciation charged on the improvement works.

20 Unrestricted Funds	Balance at 1 April 2023 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2024 £000
Retained Surpluses	13,304	(130)	299	13,473
	13,304	(130)	299	13,473

21 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	423	-	423
Unrestricted Funds	8,024	5,449	13,473
	8,447	5,449	13,896

22 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the charity. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the charity decides to sell the property, then the charity would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2024	2023
	£000	£000

23 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:		
emh Housing & Regeneration Ltd	645	457

Sales to emh Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	1,282	1,167
emh Housing & Regeneration Limited	84	84
Sharpes Gardening Services Limited	80	-

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from emh Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate. Purchases from Sharpes Garden Services are provision of gardening services and contract management services, these charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors		
emh Housing & Regeneration Ltd	226	98
Creditors		
East Midlands Housing Group Limited	58	49

24 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

East Midlands Housing Group is a Registered Provider under the Co-operative and Community Benefit Society Act 2014 and is non-charitable. It is registered with the Financial Conduct Authority in England, with registration number IP030476 and is the parent company of emh Group.

emh Group started its life as a traditional housing association in 1946 and has since established itself as one of the leading providers of affordable housing in the East Midlands region. The Group manages over 21,000 properties across 49 different local authorities and provides over 11,000 hours of care and support to vulnerable and disabled people each week.

East Midlands Housing Group is the only member of the charity and exercises control through the power to appoint or remove trustees.

25 Notes to the Cash Flow Statement

	2024 £000	2023 £000
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income for reporting period (as per the statement of financial activities)	(139)	(1,475)
Adjustments for :		
Depreciation charges	306	337
(Gain) on disposal of assets	(659)	(136)
Interest Receivable	(255)	(2)
Interest Payable	29	17
Deferred government grants	(9)	(9)
Pensions costs less contributions payable	(44)	(28)
Grant abated	(181)	-
Restricted reserves disposed	(373)	-
Decrease in debtors	(224)	532
Increase in creditors	330	128
Decrease in provisions	(50)	(35)
Net cash (outflow)/inflow from operating activities	(1,269)	(671)

EMH CARE AND SUPPORT LIMITED

England & Wales - Charity number 1001704

Accounts

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2023





EMH CARE AND SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES

Jim Holden – Chair *(stood down September 2022)*
Prof Amanda Ashton – Chair *(from September 2022)*
Vandna Gohil *(stood down September 2022)*
Patricia McCabe
Margaret Coward
Roger Merchant *(appointed September 2022)*
Simon Ketteridge *(appointed September 2022)*

PRINCIPAL BANKER

National Westminster Bank Plc
5 Market Place
Chesterfield
S40 1TJ

AUDITOR

KPMG LLP
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley
Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2023.

Structure, Governance & Management

Background

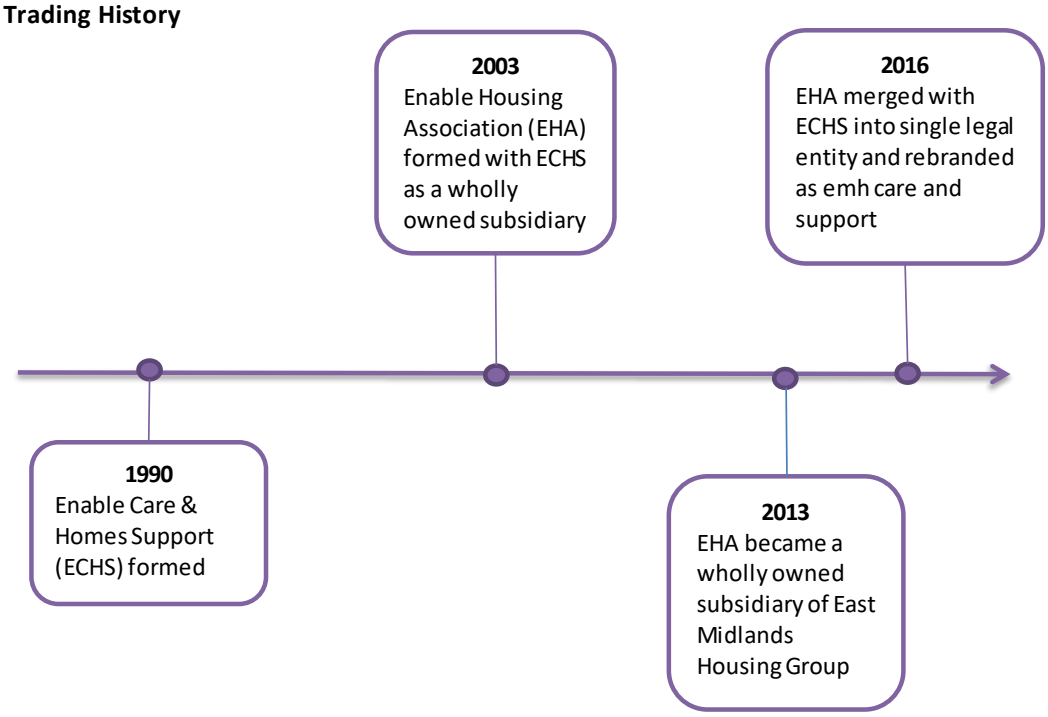
emh Care and Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The charity was incorporated on 4th April 1990. Its principal activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons ;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

Structure, Governance & Management (continued)

Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Mr Jim Holden*	3/3
Ms Vandna Gohil*	3/3
Ms Patricia McCabe	5/5
Prof Amanda Ashton	4/5
Ms Margaret Coward	4/5
Mr Roger Merchant**	2/2
Mr Simon Ketteridge**	2/2

*resigned as a trustee in September 2022 ** joined as a trustee in September 2022

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the charity at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the charity for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement, Inclusion and Co-production

Co-production is the term used by organisations and increasingly by people using their services and their representatives to describe ways of involving people as equal partners in planning and designing their support and achieving agreed goals. A Co production plan for 2023 was submitted to the Board that includes various activities and projects that engages people using our services as partners in developing positive changes in services and the ways people are supported to live their lives. This includes the ways projects relate to local recruitment, the adoption Think Local Act Personal's Making it Real Framework, developing new engagement workshops and groups that look at issues that matter to people such as supporting people develop relationships and friendships, person centred planning and the development of a funding partnership with Travis Perkins to help people be more active in the community or create more accessible spaces in their homes. We are also looking at how we can make a commitment to people using our services so that they can access the information they need when they need it.

Volunteers

Our day services continue to support a growing list of supported volunteering activities. We are currently supporting volunteers with the following providers: Peak Rail, Matlock Farm Park, several local authorities, Peak

Structure, Governance & Management (continued)

Volunteers (continued)

Park, The National Trust, Dukes Barn, the Hurst Farm Project, Tibshelf Parish Council, Ashfield District Council, Notts and Derbyshire Adult Education, Chesterfield District Council, Derby University, Sports England, Mansfield Wildlife Rescue Centre and the National Trust. We are continuing in our work with Peak Rail to develop our facilities at the railway with a view to develop a volunteer centre on site. This year we have worked with Derby University, local colleges and schools providing volunteering and student placements in our day services and nursing homes.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2022: none).

Corporate Mission and Aims

The organisation strives to **"be the best social housing and care business".** This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this in a number of ways: -

Supported Housing

We manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

Charitable Activities (continued)

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 140 service users, providing around 9,270 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Day Services and Social Enterprise

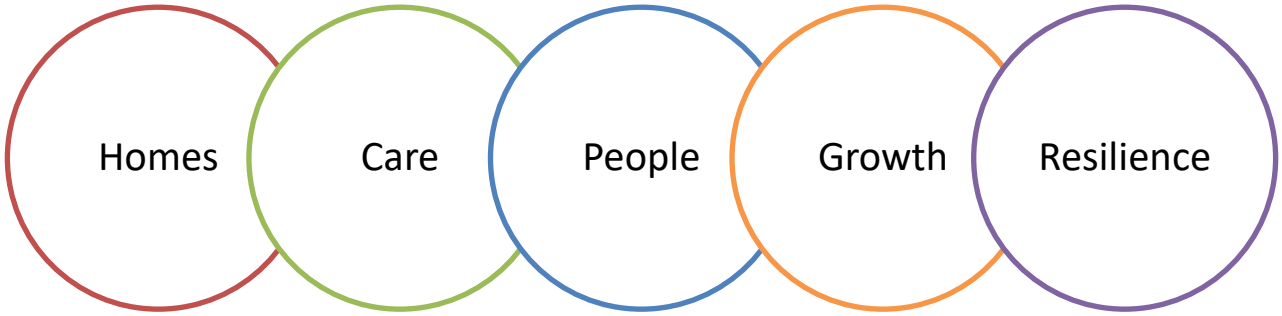


We manage 4 day centres supporting around 93 customers each week including our own residents and private customers. Over 220 support sessions are run every week providing valuable support to all our customers. We support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners including Adult Care, Adult community Education, Local Authorities and Employment services we provide a range of support and opportunities including, one to one support, support to get out and about in the community, access to learning and education and supported volunteering. We aim to improve life skills, knowledge, social interaction, independence and fulfilment.

We are working with a range of activity providers to support people lead more active lives. This includes a successful bid to Sports England for a grant of £10,000 to increase activity levels working for people using our day services and the wider community. In June 23 we hosted an activity day in Matlock attended by nearly 90 disabled people and their supporters, and we are planning another event in Chesterfield partnering with the local authority and the leisure centre where we expect even greater support and interest. On the back of last year's event the leisure centre established 2 learning disability activity sessions per week that have been running since January 23.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 300 units, some owned within the Group and some won on a tender basis.
emh are committed to continuing to expand our extra care offer with a further 2 schemes in the pipeline. At 75 and 120 units, the schemes are in the early stages and are expected to complete in 2027/28.



Future Plans

The Group's latest Strategy and Business Plan has been reviewed and updated to cover 2023-2026. To have greater certainty and control over our business, we've switched to having a three-year plan, rather than five years. The Board, in conjunction with our key stakeholders including our customers and staff have identified and updated 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.

The long-term funding and sustainability of social care for people in later life and those with disabilities or who need extra support for any other reason remains one of Britain's biggest challenges. Our care business needs to meet the highest standards of performance, quality and compliance and be financially viable.

Our focus remains meeting the needs of people with learning disabilities and people in later life. We will continuously monitor the quality and compliance of our services, ensuring that they remain safe, effective, caring, responsive and well-led. We are committed to meeting the highest standards of care for all of our service users, and to ensuring that they enjoy the best possible quality of life.

Our objectives to deliver this are: -

- ✓ Achieve a surplus at year end;
- ✓ All our services will be a minimum of CGC good rating;
- ✓ Reduce staff turnover and provide career paths by improving terms, conditions and skills of colleagues;
- ✓ We will draw on our experience and expertise in care to lead on safeguarding compliance for all colleagues and customers;
- ✓ We will work with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will actively negotiate rates and contracts with principal partner local authorities;
- ✓ We will meet the Governments target to have all care records digitised by 2024.

Developing our Services

As per the Care and Support Strategy our key focus remains meeting the needs of people with learning disabilities and people in later life. We are committed to meeting the highest standards of care for all of our service users, and to ensuring that they enjoy the best possible quality of life.

Working with Leicester City Council we continue to manage the contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples.

Developing our Services (continued)
We remain longstanding members of key frameworks and are working closely with partners to maintain and develop those relationships.



The delivery of care to older people is a strategically important part of our service offering and recognises the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution. emh has five extra care schemes that are operational at present, St Mary's Lutterworth, Oak Court Blay, Waterside Court Loughborough, Wrights Court Northampton and Springfields Ashby de la Zouch. Our Development Strategy supports the provision of two further extra care schemes as part of our commitment to delivering 10% supported housing within our programme.

Through our partnership work we have identified two opportunities to deliver extra care schemes and continue to progress these. The first scheme is in Leicester City and will provide 75 extra care homes with associated facilities. It is based on an intergenerational model with a mix of working age adults and older people with care and support needs. The second scheme is in Blaby, scheme of 120 homes with associated facilities. Our approach is based on partnership and collaboration with key stakeholders to ensure we design quality schemes integrated within the local community.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -

Outstanding
The service is performing exceptionally well.

Good
The service is performing well and meeting our expectations.

Requires improvement
The service isn't performing as well as it should be and we have told the service how it must improve.

Inadequate
The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs

Regulation (continued)

5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

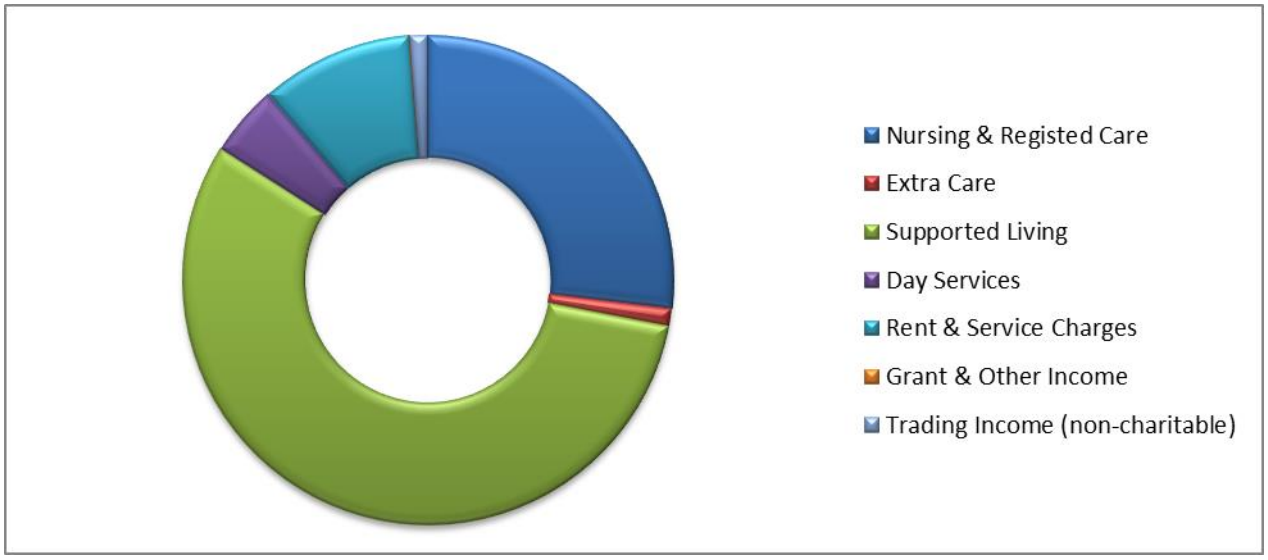
Our registered services are rated good by the CQC with the exception of supported living as a number are yet to be inspected.

Financial Review & Reserves Policy

The charity generated £18.2m of income during the year, a slight decrease of £0.3m from the prior year. Support income in relation to the pandemic has reduced significantly whilst a property disposal in year has increased the income.

99% of our income is generated through our charitable activities. This has increased from 97% in the previous year as less funding has been received in relation to Covid-19 which is a non-charitable activity. As with previous years a small amount of income was generated from non-charitable activities including income from our social enterprise.

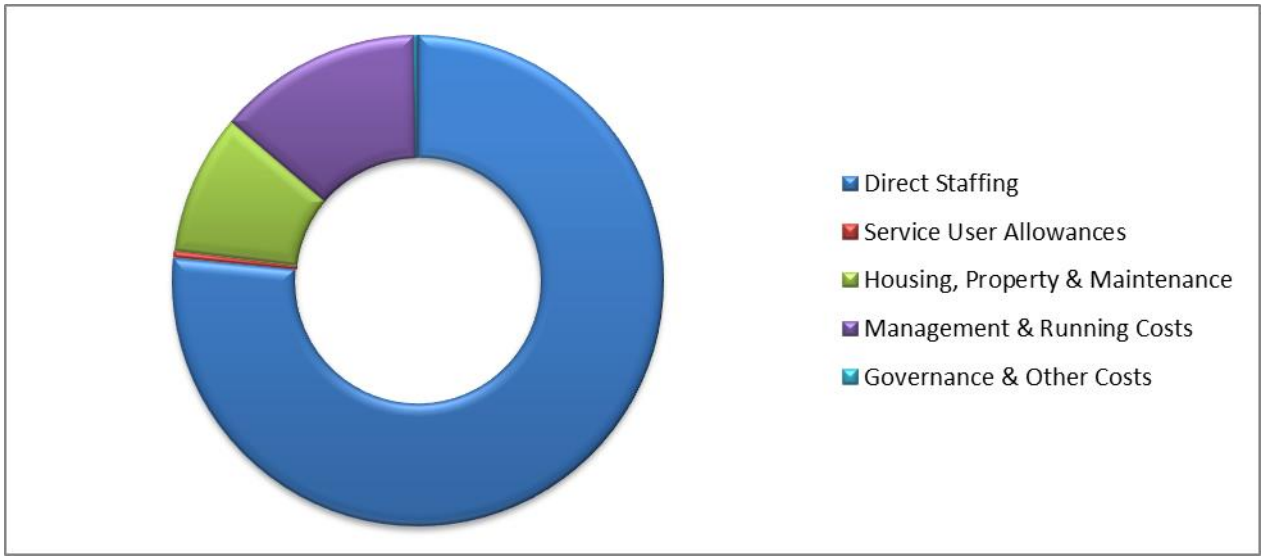
All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

Financial Review & Reserves Policy (continued)

Running costs and overheads of £19.6m were incurred in the year, £0.5m higher than in 2022. This includes significant additional costs in relation to the high level of care provided. A resource shortage in the care sector has led to increased staffing costs. The chart below shows the main expenditure areas:



Whilst we aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives, our Statement of Financial Activities shows a deficit for the year of (£1,475k) (2022: (£539k) deficit). This is the second year in deficit as we recover from the effects of the pandemic and the resource scarcity in the sector. This deficit includes an increase in pension liabilities of £106k following the reassessment by the actuary. Strategic plans are in place to mitigate these losses in the future.

2023 has been another challenging year and balancing quality services with financial viability will continue to be a key focus of the organisation with our ultimate aim being for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the charity could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

At the end of the financial year the organisation had fixed assets of £8.8m (2022: £9.5m), net current assets of £6.7m (2022: £7.5m) and total funds of £14m (2022: £15.5m). Whilst the strength of the financial position has been eroded slightly in the current year the results still indicate a healthy position going in to the next financial year. Cash balances have decreased by £0.2m over the year.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment remains challenging and uncertain with the ongoing impacts of COVID19, resource scarcity, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

As with many providers in our sector the current environment has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We maintained our new working practices with high service standards and continued to access funding where possible to support with increased running costs. As we emerge from the pandemic the landscape is continually monitored and risks identified and mitigated where possible. Challenges in the coming year have been acknowledged and plans are in place to move the services forward and improve the financial position where possible.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of People with Disabilities

The charity's policy is to give full and fair consideration to applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities. People with disabilities receive appropriate training to promote their career development within the charity. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

Grants and Donations

During the year the charity made no charitable donations (2022: £nil).

The charity has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by: -

J.Tilley

J.Tilley (Sep 7, 2023 12:49 GMT+1)

JOANNE TILLEY
Secretary
28th July 2023

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

The trustees are responsible for preparing the Trustees' 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. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable charity or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

Amanda Ashton

Amanda Ashton (Sep 7, 2023 17:14 GMT+1)

Amanda Ashton
Chair
28th July 2023

Opinion

We have audited the financial statements of emh Care and Support Limited ("the charitable company") for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 2.

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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees, the audit committee and inspection of policy documentation as to the Charitable company's high-level policies and procedures to prevent and detect fraud, and the Charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that Care and Support income is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Charitable company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual or seldom used accounts.
- Sample testing of care and support income to 31 March 2023 and the period post 31 March 2023 to determine whether income is recognised in the correct accounting period.

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards), and discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable company is subject to 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 and data protection laws, recognising the regulated nature of the charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Trustees' report

The Trustees are responsible for the Trustees' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Trustees' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Trustees' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 13, the Trustees are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Victoria Sewell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Suite 23
BLOCK
Royal William Yard
Plymouth
PL1 3RP

15 September 2023

EMH CARE AND SUPPORT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 Unrestricted Funds £000	2023 Restricted Funds £000	2023 Total Funds £000	2022 Total Funds £000
Income from:					
Income from Charitable Activities	3	18,036	-	18,036	17,957
Other income	4	212	-	212	578
Total Incoming Resources		18,248	-	18,248	18,535
Resources Expended					
Expenditure on:					
Charitable activities:	3	19,555	11	19,566	19,033
Other Expenditure	5	51	-	51	46
Total Resources Expended		19,606	11	19,617	19,079
Remeasurement of Social Housing Pension Scheme	8	(106)	-	(106)	5
Net movement in funds		(1,464)	(11)	(1,475)	(539)
Funds brought forward at 1 April 2022		14,768	742	15,510	16,049
Funds carried forward at 31 March 2023		13,304	731	14,035	15,510

The results shown above are all derived from continuing activities.

The accompanying notes form part of these financial statements.

EMH CARE AND SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Housing properties	11	7,825	7,893
Other fixed assets	11	968	1, 563
		8,793	9, 456
Current assets			
Trade and other debtors	13	1,600	2,133
Cash and cash equivalents		6,930	7,131
		8,530	9,264
Creditors: amounts falling due within one year	14	(1,848)	(1,718)
Net current assets		6,682	7,546
Total assets less current liabilities		15,475	17,002
Creditors: amounts falling due after more than one year	15	(703)	(712)
Provision for liabilities			
Other provisions	17	(78)	(113)
Pension liability	8	(659)	(667)
Net assets		14,035	15,510
Funds			
Unrestricted	18	13,304	14,768
Restricted	19	731	742
		14,035	15,510

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board on 28 July 2023 and were signed on its behalf by:

Amanda Ashton

Amanda Ashton (Sep 7, 2023 17:14 GMT+1)

Amanda
Ashton
Chair

J.Tilley

J.Tilley (Sep 7, 2023 12:49 GMT+1)

Joanne
Tilley
Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Net cash inflow/(outflow) from operating activities	24	(671)	357
Cash Flows from Investing Activities			
Interest received		2	-
Purchase of tangible assets		(137)	(157)
Receipts from sale of assets		600	-
Cash provided by (used by) Investing Activities		465	(157)
Cash Flows from Financing Activities			
Interest received		5	5
Cash provided by Financing Activities		5	5
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the period		(201)	205
Cash and Cash equivalents at 1 April		7,131	6,926
Cash and Cash equivalents at 31 March		6,930	7,131

	At 1 April 2022 £000	Cash Flows £000	At 31 March 2023 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	7,131	(201)	6,930
Total Cash and Cash equivalents	7,131	(201)	6,930

The accompanying notes form part of these financial statements.

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2023, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and
Related Parties note.

Going Concern
The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2023 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The board, after reviewing the charity budgets for 2023/24 and the charity's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

2 Principal Accounting Policies (continued)

Going Concern (continued)
- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;

- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;

- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources
All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended
Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2 Principal Accounting Policies (continued)

Housing properties
Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows: -

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the charity expects to consume an asset's future economic benefits.

Non component works to existing properties
The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Other tangible fixed assets
Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant
Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long-term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets
Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Charity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets
The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) is a multi-employer scheme which provides benefits to 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The assets of the scheme are held separately from the Charity.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the charity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2 Principal Accounting Policies (continued)

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds
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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for purposes. The aim and use of each designated fund is set out above in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and Provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Charity recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments
The Charity only has financial assets and financial 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.

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolescence

No triggers for impairment have been identified.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

	2023 £000	2022 £000
3 Charitable Activities		
Income from Charitable Activities		
Registered care funding	5,112	5,034
Supported living & day care contracts	11,069	10,750
Rental income & service charges	1,835	2,087
Amortised government grant	9	9
Other Charitable Income	11	77
Total Income from Charitable Activities	18,036	17,957
Expenditure on Charitable Activities		
Care staff costs, including training	14,996	13,983
Service user allowances	84	89
Housing costs	991	1,121
Maintenance costs	501	676
Salaries & management costs	2,609	2,577
Registration fees	9	10
Professional fees	49	51
Depreciation and impairment	326	428
Bad Debts	49	44
Other costs	(59)	43
Total Expenditure on Charitable Activities	19,555	19,022
Restricted Funds		
Depreciation and impairment	11	11
Write 0ffs	-	-
	11	11

4 Other Income		
Fixed asset disposal proceeds	600	-
Fixed asset cost of disposals	(464)	-
Gain on disposal of fixed assets	136	-
Interest Received	2	-
Other Income	74	578
Total Other Income	212	578

	2023 £000	2022 £000
5 Other Expenditure		
Interest Payable	17	15
Governance; Professional Fees	34	31
Total Other Expenditure	51	46

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:

Depreciation & amortisation	337	440
Auditors' remuneration	34	31

7 Staff numbers and costs

The average number of persons employed by the charity (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2023 Number	2022 Number
Care and support staff	415	406
Office Staff	46	58
Trustees	5	5
	466	469

	2023 £000	2022 £000
Staff costs for the above persons:		
Wages and salaries	11,190	11,488
Social security costs	1,039	956
Pension costs	596	583
Termination Benefits	9	19
	12,834	13,046

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

8 Employee Benefits

The charity operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2023

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2022	667	2
Loss in the period charged to the profit & loss account	22	-
Loss in the period charged to other comprehensive income	106	-
Deficit contribution paid	(136)	-
Net liability at 31 March 2023	659	2

The Pensions Trust - Social Housing Pension Scheme

The charity participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 28 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the charity's fair share of the Scheme's total assets to calculate the charity's net deficit or surplus.

	2023 £'000	2022 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	2,836	4,058
Present value of defined benefit obligation	(3,495)	(4,725)
Defined benefit (liability)/asset to be recognised	(659)	(667)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	4,725	4,933
Expenses	5	5
Interest expense	130	104
Actuarial losses/(gains) due to scheme experience	64	175
Actuarial losses/(gains) due to changes in demographic assumptions	(9)	(79)
Actuarial losses/(gains) due to changes in financial assumptions	(1,301)	(299)
Benefits paid and expenses	(119)	(114)
Defined benefit obligation at end of period	3,495	4,725
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	4,058	4,148
Interest income	113	89
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(1,352)	(198)
Contributions by the employer	136	133
Benefits paid and expenses	(119)	(114)
Fair value of plan assets at end of period	2,836	4,058

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £1,239,000.

Defined benefit costs recognised in statement of comprehensive income (SOCI)		
Expenses	5	5
Net interest expense	17	15
Defined benefit costs recognised in statement of comprehensive income (SoCI)	22	20

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2023 £'000	2022 £'000
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	(1,352)	(198)
Experience gains and losses arising on the plan liabilities - (loss)/gain	(64)	(175)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	9	79
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	1,301	299
Total amount recognised in other comprehensive income - (loss)/gain	(106)	5
Assets		
Global Equity	53	779
Absolute Return	31	163
Distressed Opportunities	86	145
Credit Relative Value	107	135
Alternative Risk Premia	5	134
Emerging Markets Debt	15	118
Risk Sharing	209	134
Insurance-Linked Securities	72	95
Property	122	110
Infrastructure	324	289
Private Debt	126	104
Opportunistic Illiquid Credit	121	136
High Yield	10	35
Opportunistic Credit	-	14
Cash	20	14
Corporate Bond Fund	-	271
Long Lease Property	86	104
Secured Income	130	151
Liability Driven Investment	1,307	1,132
Currency Hedging	5	(16)
Net Current Assets	7	11
Total assets	2,836	4,058

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2023 % per annum	2022 % per annum
Discount Rate	4.88	2.79
Inflation (RPI)	3.20	3.66
Inflation (CPI)	2.74	3.23
Salary Growth	3.74	4.23
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

The Pensions Trust - The Growth Plan

The charity participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3.312m per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11.243 per annum (payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2023 £000	2022 £000
Present Value of provision		
Present value of provision at period end	2	2
Reconciliation of opening and closing provisions		
Provision at start of period	2	3
Unwinding of discount factor (interest expense)	-	-
Deficit contribution paid	-	(1)
Provision at the end of period	2	2

	2023 £000	2022 £000
8 Employee Benefits (continued)		
Assumptions		
Rate of discount per annum	5.52%	2.35%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration

Fees payable to the charity's auditor for the audit of the annual accounts	34	31

10 Taxation

The company is a registered charity and has no trading activities liable to taxation

11 Fixed Assets

Housing Assets	Assets in the Course of Construction £000	Housing properties for letting £000	Care and support properties £000	Total £000
Cost				
1 April 2022	25	6,396	4,709	11,130
Replacement of Components	(25)	84	35	94
Disposals	-	(31)	-	(31)
31 March 2023	-	6,449	4,744	11,193
Accumulated depreciation				
1 April 2022	-	1,540	1,380	2,920
Charge for year	-	102	60	162
Disposals	-	(31)	-	(31)
31 March 2023	-	1,611	1,440	3,051
Impairment				
1 April 2022	-	-	317	317
31 March 2023	-	-	317	317
Net book value				
31 March 2023	-	4,838	2,987	7,825
31 March 2022	25	4,856	3,012	7,893

Other Fixed Assets	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2022	930	863	436	173	2,402
Additions	-	-	44	-	44
Disposals	(674)	-	-	-	(674)
31 March 2023	256	863	480	173	1,772
Accumulated depreciation					
1 April 2022	307	141	247	144	839
Charge for year	3	70	85	17	175
Disposals	(210)	-	-	-	(210)
31 March 2023	100	211	332	161	804
Net book value					
31 March 2023	156	652	148	12	968
31 March 2022	623	722	189	29	1,563

	2023 £000	2022 £000
12 Impairment of Housing Assets		

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors		
Current tenant arrears	44	65
Less provision for bad and doubtful debts	(27)	(42)
Former tenant arrears	1	8
Less provision for bad and doubtful debts	(1)	(8)
Trade debtors	776	845
Less provision for trade debtors	(87)	(38)
Prepayments and accrued income	787	747
Other debtors	9	12
Amounts due from Group Companies	98	544
	1,600	2,133

14 Creditors: amounts falling due within one year		
Trade creditors	685	591
Rent received in advance	82	70
Accruals and deferred income	1,004	987
Other creditors	25	26
Pension deficit contributions	2	2
Amounts due to Group Companies	50	42
	1,848	1,718

	2023 £000	2022 £000
15 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 16)	703	712
	703	712

16 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2022	712	712
Released to income in the year	(9)	(9)
At 31 March 2023	703	703

17 Provision for Liabilities

	Opening balance as at 1 April 2022	Additional Commitments made during the year	Provisions reversed during the year	Closing balance as at 31 March 2023
Leave Pay	113	-	(35)	78
	113	-	(35)	78

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

18 Unrestricted Funds

	Balance at 1 April 2022 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2023 £000
Retained Surpluses	14,768	(1,464)	-	13,304
	14,768	(1,464)	-	13,304

19 Restricted Funds	Balance at 1 April 2022 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2023 £000
Property fund - NHS	644	-	(9)	635
SEIF Capital Grant	98	-	(2)	96
	742	-	(11)	731

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	731	-	731
Unrestricted Funds	8,062	5,242	13,304
	8,793	5,242	14,035

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the charity. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the charity decides to sell the property, then the charity would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2023 £000	2022 £000

22 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:		
EMH Housing & Regeneration Ltd	457	577

Sales to EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	1,167	1,220
EMH Housing & Regeneration Ltd	84	38

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors		
EMH Housing & Regeneration Ltd	98	544
Creditors		
East Midlands Housing Group Limited	49	22
EMH Housing & Regeneration Ltd	-	20

23 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

	2023 £000	2022 £000
24 Notes to the Cash Flow Statement		
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income for reporting period (as per the statement of financial activities)	(1,475)	(539)
Adjustments for:		
Depreciation charges	337	440
(Gain) on disposal of assets	(136)	-
Interest Receivable	(2)	-
Interest Payable	17	15
Deferred government grants	(9)	(9)
Pensions costs less contributions payable	(28)	(139)
Grant abated	-	-
Decrease in debtors	532	348
Increase in creditors	128	302
Decrease in provisions	(35)	(61)
Net cash (outflow)/inflow from operating activities	(671)	357

EMH CARE AND SUPPORT LIMITED

England & Wales - Charity number 1001704

Accounts

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022



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EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES

Jim Holden – Chair
Prof Amanda Ashton
Vandna Gohil
Patricia McCabe
Margaret Coward

PRINCIPAL BANKER

National Westminster Bank Plc
5 Market Place
Chesterfield
S40 1TJ

AUDITOR

KPMG LLP
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley
Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2022.

Structure, Governance & Management

Background

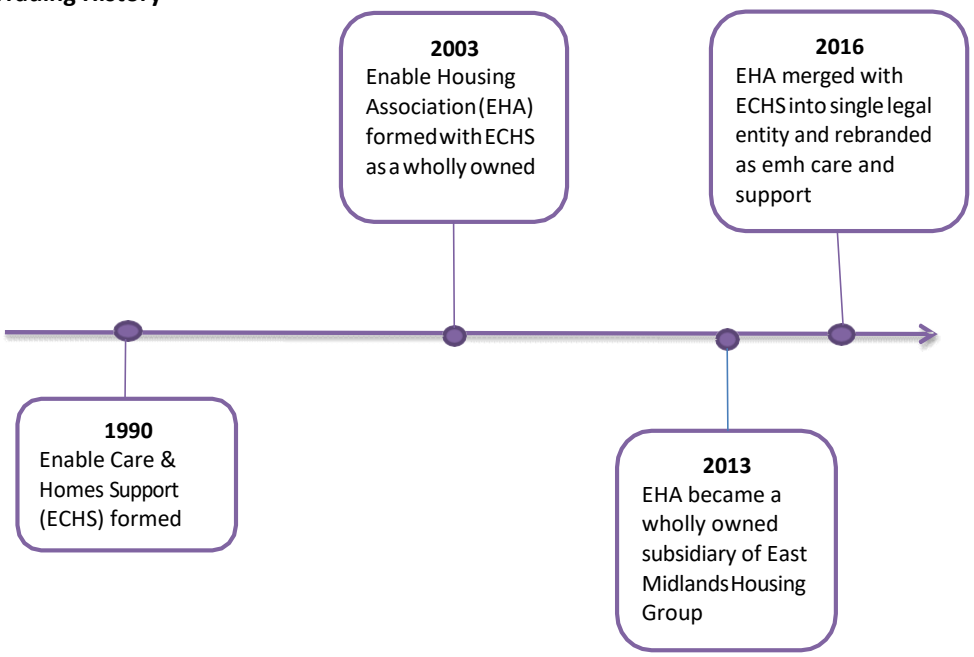
emh Care and Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The company was incorporated on 4th April 1990. Its principal activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons ;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

Structure, Governance & Management (continued)

Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Jim Holden	4/4
Tim Brown*	1/4
Vandna Gohil	4/4
Patricia McCabe	4/4
Margaret Coward	4/4
Prof Amanda Ashton**	3/4

*resigned as a trustee in September 2021 ** joined as a trustee in September 2021

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the company at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the company for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement

Customer engagement also plays a vital role in shaping the future of the organisation. We have previously offered a number of ways for our customers and their representatives to be involved in helping us achieve our mission including our Service User Forum.

Following the pandemic, the Service User Forum has been unable to engage with others and feedback has been limited. This remains a high priority for us and this group is being reviewed to ensure we can continue their valuable work in a more appropriate way.

Volunteers

Opportunities have resumed and people using day services are again being supported in community volunteering. We also partner with organisations to include people with learning disability in their activities or events. We are currently supporting volunteers with the following providers: Peak Rail, Matlock Farm Park, DDDC, DCC, Peak Park, The National Trust, Dukes Barn, the Hurst Farm Project, Tibshelf Parish Council, Ashfield District Council, Chesterfield District Council, Derby University. One exciting project we are working on is developing with, Peak Rail, the development of a new volunteer centre/ resource at Peak Rail in Matlock

Structure, Governance & Management (continued)

Volunteers (continued)

Staff continue to do as much as possible for our service users and communities especially in the current environment. The digital inclusion project that was launched during lockdown is still active. We have continued to advocate digital options and inclusion for disabled people resulting in the project being nominated for a National Learning Disability award.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2021: none).

Corporate Mission and Aims

The organisation strives to **"be the best social housing and care business".** This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this is a number of ways: -

Supported Housing

We manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

Charitable Activities (continued)

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 180 service users, providing around 11,870 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Day Services and Social Enterprise



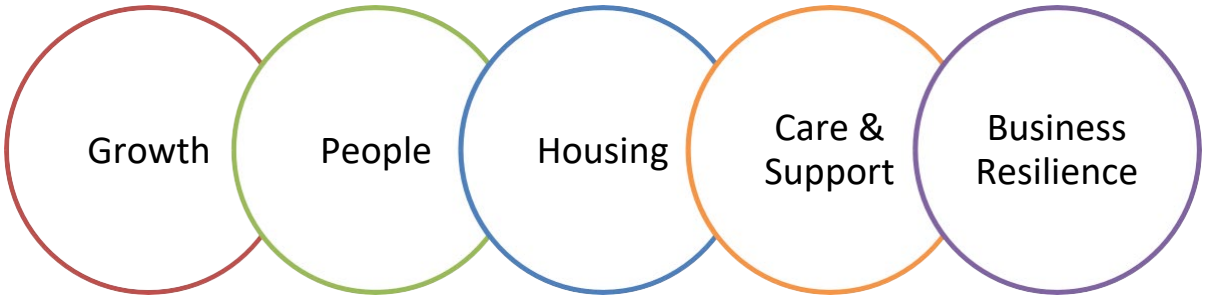
We manage 4 day centres supporting around 83 customers each week including our own residents and private customers. Over 220 support sessions are run every week providing valuable support to all our customers. We support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners including Adult Care, Adult community Education, Local Authorities and Employment services we provide a range of support and opportunities including, one to one support, support to get out and about in the community, access to learning and education and supported volunteering. We aim to improve life skills, knowledge, social interaction, independence and fulfilment.

We also aim to improve our customer's sense of purpose and offer opportunities for people to work in the community and to learn woodwork, baking and food preparation skills, with any funds generated from their sale being reinvested back into the day centres.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 300 units, some owned within the Group and some won on a tender basis. In September 2021 the Springfields scheme in Ashby-de-la-Zouch opened comprising of 50 rental units and 15 shared ownership properties. By self-funding this development it has allowed us to ensure that all services are provided in house and to the highest standard. Emh are committed to continuing to expand our extra care offer with a further 2 schemes in the pipeline.

Future Plans



The Group's latest Strategic Business Plan has been reviewed and updated. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.

Our Care and Support aim is to ***deliver a clear vision and strategy for our Care and Support arm that delivers "outstanding" services to the people that we support***. Our objectives to deliver this are: -

- ✓ We will provide consistently safe, compliant, high quality viable services as judged by our regulator and customers;
- ✓ We will investigate the expansion of the range and geography of the services we provide;
- ✓ We will work with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will actively seek opportunities to diversify our income streams, generating sustainable surpluses and demonstrating strong budgetary controls;
- ✓ Actively promote career opportunities in social care to realise a fully recruited team of dedicated staff;

During the year we have continued to make significant progress against our objectives and are proud of our many achievements.

Developing our Services

As per the Care and Support Strategy our key focus is to deliver a high quality safe service and we have continued to focus on this priority. Our ambitions to grow the business and explore innovative solutions to continually improve the care that we provide to our service users remain key and is investigated at every opportunity.

Working with Leicester City Council we continue to manage the contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples.

In addition to the frameworks that we are longstanding members of we have also secured In August 2021, we successfully secured inclusion on to the NHS Derby & Derbyshire Nursing Homes Preferred Providers List.

Developing our Services (continued)



The delivery of care to older people continues to be a strategically important part of our service offering and with the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution. Emh has five extra care schemes that are operational at present , St Mary's Lutterworth, Oak Court Blay, Waterside Court Loughborough, Wrights Court Northampton and Springfields Ashby de la Zouch. Our Development Strategy (2021-2025) supports the provision of two further extra care schemes as part of our commitment to delivering 10% supported housing within our programme.

Through our partnership work we have identified two opportunities to deliver extra care schemes and are currently working on these to prepare for planning. The first scheme is in Leicester City and will provide 75 extra care homes with associated facilities. It is based on an intergenerational model with a mix of working age adults and older people with care and support needs. The second scheme is in Blaby , scheme of 120 homes with associated facilities . Our approach is based on partnership and collaboration with key stakeholders to ensure we design quality schemes integrated within the local community.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -

Outstanding
The service is performing exceptionally well.

Good
The service is performing well and meeting our expectations.

Requires improvement
The service isn't performing as well as it should be and we have told the service how it must improve.

Inadequate
The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs

Regulation (continued)

5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

Our registered services are rated good by the CQC with the exception of two services that require improvement in one area.

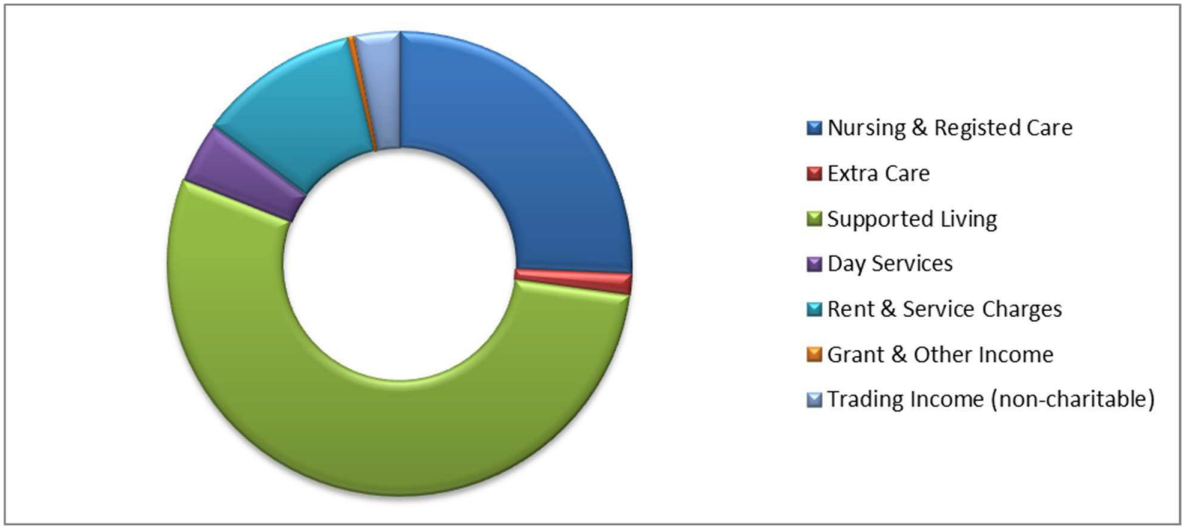
Our new Extra Care scheme in Ashby de la Zouch, Leicestershire opened in September 2022. The CQC assessment took place in May 2022 with the outcome report now awaited.

Financial Review & Reserves Policy

The company generated £18.5m of income during the year, a slight decrease of £0.2m from the prior year. 2020-21 was an exceptional year with access to a significant amount of funding in relation to the Covid-19 pandemic and a sale of a property. Whilst there has been some income to support costs incurred due to the pandemic this has reduced significantly in the current year.

97% of our income is generated through our charitable activities. This has increased from 96% in the previous year as less funding has been received in relation to Covid-19 which is a non charitable activity. As with previous years a small amount of income was generated from non-charitable activities including income from our social enterprise.

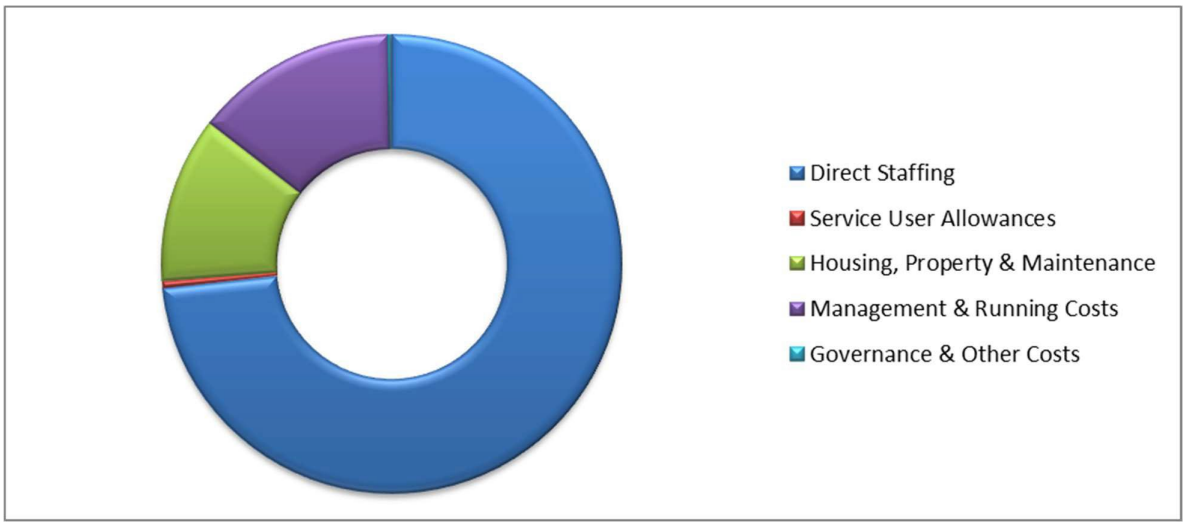
All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

Financial Review & Reserves Policy (continued)

Running costs and overheads of £19.1m were incurred in the year, £2m higher than in 2021. This includes significant additional costs in relation to the high level of care provided. A resource shortage in the care sector has led to increased staffing costs. The chart below shows the main expenditure areas:



We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives. Our Statement of Financial Activities shows a deficit for the year of (£539k) (2021: £1,064k surplus). This has been an unprecedented year where we have seen increased costs largely due to the after affects of the pandemic with funding to support this greatly reduced. Strategic plans are in place to mitigate these losses in the future. This includes a decrease in pension liabilities of £5k following the reassessment by the actuary.

2022 has been a challenging year and balancing quality services with financial viability will continue to be a key focus of the organisation with our ultimate aim being for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

At the end of the financial year the organisation had fixed assets of £9.5m (2021: £9.7m), net current assets of £7.5m (2021: £8m) and total funds of £15.5m (2020: £16m) indicating a healthy financial position has been maintained. Cash balances have increased by £0.2m over the year.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment remains challenging and uncertain with the ongoing impacts of COVID19, resource scarcity, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

As with many providers in our sector the current environment has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We maintained our new working practices with high service standards and continued to access funding where possible to support with increased running costs. As we emerge from the pandemic the landscape is continually monitored and risks identified and mitigated where possible. Challenges in the coming year have been acknowledged and plans are in place to move the services forward and improve the financial position where possible.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of People with Disabilities

The company's policy is to give full and fair consideration to applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities. People with disabilities receive appropriate training to promote their career development within the company. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

Grants and Donations

During the year the company made no charitable donations (2021: £nil).

The company has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by: -

J. Tilley
J. Tilley (Aug 3, 2022 12:47 GMT+1)

JOANNE TILLEY
Secretary
28th July 2022

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

The trustees are responsible for preparing the Trustees' 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. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

jim holden

jim holden (Aug 5, 2022 12:30 GMT+1)

Jim Holden
Chair
28th July 2022

Opinion
We have audited the financial statements of emh Care and Support Limited ("the charitable company") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 2.

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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Charitable company or to cease its operations, and as they have concluded that the Charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Charitable company's business model and analysed how those risks might affect the Charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees, the audit committee and inspection of policy documentation as to the Charitable company's high-level policies and procedures to prevent and detect fraud, and the Charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that Care and Support income is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Charitable company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.
- Sample testing of care and support income relating to the period prior to 31 March 2022 to determine whether income is recognised in the correct accounting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards), and discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Charitable Company is subject to 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 and data protection laws, recognising the regulated nature of the Charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information
The Trustees are responsible for the Trustees' Annual Report. Our opinion on the financial statements does not cover the that report and we do not express an audit opinion thereon.

Our responsibility is to read the Trustees' Annual Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Trustees' Annual Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Trustees' responsibilities
As explained more fully in their statement set out on page 13, the Trustees are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill,
Snow Hill Queensway
Birmingham
B4 6GH

09 August 2022

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 Unrestricted Funds £000	2022 Restricted Funds £000	2022 Total Funds £000	2021 Total Funds £000
Income from :					
Income from Charitable Activities	3	17,957	-	17,957	17,923
Other income	4	578	-	578	791
Total Incoming Resources		18,535	-	18,535	18,714
Resources Expended					
Expenditure on :					
Charitable activities:	3	19,022	11	19,033	17,054
Other Expenditure	5	46	-	46	37
Total Resources Expended		19,068	11	19,079	17,091
Remeasurement of Social Housing Pension Scheme	8	5	-	5	(559)
Net movement in funds		(528)	(11)	(539)	1,064
Funds brought forward at 1 April 2021		15,296	753	16,049	14,985
Funds carried forward at 31 March 2022		14,768	742	15,510	16,049

The results shown above are all derived from continuing activities.

EMH CARE AND SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Housing properties	11	7,893	7,931
Other fixed assets	11	1,563	1,808
		9,456	9,739
Current assets			
Trade and other debtors	13	2,133	2,481
Cash and cash equivalents		7,131	6,926
		9,264	9,407
Creditors: amounts falling due within one year	14	(1,718)	(1,415)
Net current assets		7,546	7,992
Total assets less current liabilities		17,002	17,731
Creditors: amounts falling due after more than one year	15	(712)	(723)
Provision for liabilities			
Other provisions	17	(113)	(174)
Pension liability	8	(667)	(785)
Net assets		15,510	16,049
Funds			
Unrestricted	18	14,768	15,296
Restricted	19	742	753
		15,510	16,049

These financial statements were approved by the Board on 28 July 2022 and were signed on its behalf by:

jim holden
jim holden (Aug 5, 2022 12:30 GMT+1)

Jim
Holden
Chair

J. Tilley
J. Tilley (Aug 3, 2022 12:47 GMT+1)

Joanne
Tilley
Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2021 £000
Net cash inflow/(outflow) from operating activities	24	357	918
Cash Flows from Investing Activities			
Interest received		-	3
Purchase of tangible assets		(157)	(235)
Receipts from sale of assets		-	433
Cash provided by (used by) Investing Activities		(157)	201
Cash Flows from Financing Activities			
Interest received/(paid)		5	5
Cash provided (used by)/by Financing Activities		5	5
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		205	1,124
Cash and Cash equivalents at 1 April		6,926	5,802
Cash and Cash equivalents at 31 March		7,131	6,926

	At 1 April 2021 £000	Cash Flows £000	At 31 March 2022 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	6,926	205	7,131
Total Cash and Cash equivalents	6,926	205	7,131

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2022, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and
Related Parties note.

Going Concern
The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2022 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The board, after reviewing the charity budgets for 2022/23 and the charity's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

2 Principal Accounting Policies (continued)

Going Concern (continued)
- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;

- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;

- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources
All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended
Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2 Principal Accounting Policies (continued)

Housing properties
Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Non component works to existing properties
The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Other tangible fixed assets
Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant

Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long-term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets

The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the Charity. For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Pensions Trust Social Housing Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2 Principal Accounting Policies (continued)

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds
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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for purposes. The aim and use of each designated fund is set out above in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and Provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments
The trust only has financial assets and financial 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.

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolesce

No triggers for impairment have been identified.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

	2022 £000	2021 £000
3 Charitable Activities		
Income from Charitable Activities		
Registered care funding	5,034	5,047
Supported living & day care contracts	10,750	10,596
Rental income & service charges	2,087	2,186
Amortised government grant	9	13
Other Charitable Income	77	81
Total Income from Charitable Activities	17,957	17,923
Expenditure on Charitable Activities		
Care staff costs, including training	13,983	12,970
Service user allowances	89	78
Housing costs	1,121	934
Maintenance costs	676	369
Salaries & management costs	2,577	2,148
Registration fees	10	12
Professional fees	51	56
Depreciation and impairment	428	226
Bad Debts	44	40
Other costs	43	201
Total Expenditure on Charitable Activities	19,022	17,034
Restricted Funds		
Depreciation and impairment	11	12
Write 0ffs	-	8
	11	20

4 Other Income		
Fixed asset disposal proceeds	-	252
Fixed asset grant abated	-	181
Fixed asset cost of disposals	-	(242)
Gain on disposal of fixed assets	-	191
Interest Received	-	3
Other Income	578	597
Total Other Income	578	791

	2022 £000	2021 £000
5 Other Expenditure		
Interest Payable	15	7
Governance;		
Professional Fees	31	30
Total Other Expenditure	46	37

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:		
Depreciation & amortisation	440	245
Auditors remuneration	31	30

7 Staff numbers and costs

The average number of persons employed by the company (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2022 Number	2021 Number
Care and support staff	406	375
Office Staff	58	56
Trustees	5	5
	469	436

	2022 £000	2021 £000
Staff costs for the above persons:		
Wages and salaries	11,488	11,413
Social security costs	956	941
Pension costs	583	584
Termination Benefits	19	24
	13,046	12,962

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

8 Employee Benefits

The company operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2022

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2021	785	3
Loss/(profit)in the period charged to the profit & loss account	20	(1)
Loss in the period charged to other comprehensive income	(5)	-
Deficit contribution paid	(133)	-
Net liability at 31 March 2022	667	2

The Pensions Trust - Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	2022 £'000	2021 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	4,058	4,148
Present value of defined benefit obligation	(4,725)	(4,933)
Defined benefit (liability)/asset to be recognised	(667)	(785)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	4,933	4,064
Expenses	5	5
Interest expense	104	96
Actuarial losses/(gains) due to scheme experience	175	(21)
Actuarial losses/(gains) due to changes in demographic assumptions	(79)	18
Actuarial losses/(gains) due to changes in financial assumptions	(299)	885
Benefits paid and expenses	(114)	(114)
Defined benefit obligation at end of period	4,725	4,933
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	4,148	3,720
Interest income	89	89
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(198)	323
Contributions by the employer	133	130
Benefits paid and expenses	(114)	(114)
Fair value of plan assets at end of period	4,058	4,148

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £109,000.

Defined benefit costs recognised in statement of comprehensive income (SOCI)		
Expenses	5	5
Net interest expense	15	7
Defined benefit costs recognised in statement of comprehensive income (SoCI)	20	12

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2022 £'000	2021 £'000
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	(198)	323
Experience gains and losses arising on the plan liabilities - (loss)/gain	(175)	21
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	79	(18)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	299	(885)
Total amount recognised in other comprehensive income - (loss)/gain	5	(559)

Assets		
Global Equity	779	661
Absolute Return	163	229
Distressed Opportunities	145	120
Credit Relative Value	135	131
Alternative Risk Premia	134	156
Emerging Markets Debt	118	167
Risk Sharing	134	151
Insurance-Linked Securities	95	100
Property	110	86
Infrastructure	289	277
Private Debt	104	99
Opportunistic Illiquid Credit	136	105
High Yield	35	124
Opportunistic Credit	14	114
Cash	14	-
Corporate Bond Fund	271	245
Liquid Credit	-	50
Long Lease Property	104	81
Secured Income	151	173
Liability Driven Investment	1,132	1,054
Currency Hedging	(16)	-
Net Current Assets	11	25
Total assets	4,058	4,148

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2022 % per annum	2021 % per annum
Discount Rate	2.79	2.14
Inflation (RPI)	3.66	3.30
Inflation (CPI)	3.23	2.85
Salary Growth	4.23	3.85
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

The Pensions Trust - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3.312m per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11.243 per annum (payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2022 £000	2021 £000
Present Value of provision		
Present value of provision at period end	2	3
Reconciliation of opening and closing provisions		
Provision at start of period	3	4
Unwinding of discount factor (interest expense)	-	-
Deficit contribution paid	(1)	(1)
Provision at the end of period	2	3

	2022 £000	2021 £000
8 Employee Benefits (continued)		
Assumptions		
Rate of discount per annum	2.35%	0.66%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration

Fees payable to the company's auditor for the audit of the annual accounts	31	30

10 Taxation

The company is a registered charity and has no trading activities liable to taxation

11 Fixed Assets

Housing Assets	Assets in the Course of Construction £000	Housing properties for letting £000	Care and support properties £000	Total £000
Cost				
1 April 2021	47	6,303	4,704	11,054
Replacement of Components	(22)	143	13	134
Disposals	-	(50)	(8)	(58)
31 March 2022	25	6,396	4,709	11,130
Accumulated depreciation				
1 April 2021	-	1,485	1,321	2,806
Charge for year	-	111	61	172
Disposals	-	(56)	(2)	(58)
31 March 2022	-	1,540	1,380	2,920
Impairment				
1 April 2021	-	-	317	317
31 March 2022	-	-	317	317
Net book value				
31 March 2022	25	4,856	3,012	7,893
31 March 2021	47	4,818	3,066	7,931

Other Fixed Assets	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2021	930	849	530	173	2,482
Additions	-	14	9	-	23
Disposals	-	-	(103)	-	(103)
31 March 2022	930	863	436	173	2,402
Accumulated depreciation					
1 April 2021	304	17	226	127	674
Charge for year	3	124	124	17	268
Disposals	-	-	(103)	-	(103)
31 March 2022	307	141	247	144	839
Net book value					
31 March 2022	623	722	189	29	1,563
31 March 2021	626	832	304	46	1,808

	2022 £000	2021 £000
12 Impairment of Housing Assets		

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors		
Current tenant arrears	65	86
Less provision for bad and doubtful debts	(42)	(56)
Former tenant arrears	8	2
Less provision for bad and doubtful debts	(8)	(2)
Trade debtors	845	1,790
Less provision for trade debtors	(38)	(28)
Prepayments and accrued income	747	624
Other debtors	12	5
Amounts due from Group Companies	544	60
	2,133	2,481

14 Creditors: amounts falling due within one year		
Trade creditors	591	265
Rent received in advance	70	36
Accruals and deferred income	987	1,041
Other creditors	26	26
Pension deficit contributions	2	1
Amounts due to Group Companies	42	46
	1,718	1,415

	2022 £000	2021 £000
15 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 16)	712	721
Pension deficit contributions	-	2
	712	723

16 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2021	721	721
Released to income in the year	(9)	(9)
At 31 March 2022	712	712

17 Provision for Liabilities

	Opening balance as at 1 April 2021	Additional Commitments made during the year	Provisions reversed during the year	Closing balance as at 31 March 2022
Leave Pay	174	-	(61)	113
	174	-	(61)	113

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

18 Unrestricted Funds

	Balance at 1 April 2021 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2022 £000
Retained Surpluses	15,296	(528)	-	14,768
	15,296	(528)	-	14,768

19 Restricted Funds	Balance at 1 April 2021 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2022 £000
Property fund - NHS	653	-	(9)	644
SEIF Capital Grant	100	-	(2)	98
	753	-	(11)	742

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	742	-	742
Unrestricted Funds	8,714	6,054	14,768
	9,456	6,054	15,510

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2022 £000	2021 £000

22 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:		
EMH Housing & Regeneration Ltd	577	408

Sales to EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	1,220	863
EMH Housing & Regeneration Ltd	38	38

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors		
EMH Housing & Regeneration Ltd	544	60
Creditors		
East Midlands Housing Group Limited	22	13
EMH Housing & Regeneration Ltd	20	33

23 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

	2022 £000	2021 £000
24 Notes to the Cash Flow Statement		
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income for reporting period (as per the statement of financial activities)	(539)	1,064
Adjustments for :		
Depreciation charges	440	245
(Gain) on disposal of assets	-	(191)
Interest Receivable	-	(3)
Interest Payable	15	7
Deferred government grants	(9)	(14)
Pensions costs less contributions payable	(139)	428
Grant abated	-	(181)
Decrease/(increase) in debtors	348	82
Increase/decrease) in creditors	302	(586)
(Decrease)/increase in provisions	(61)	67
Net cash inflow/(outflow) from operating activities	357	918

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2022



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EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

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SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley
Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2022.

Structure, Governance & Management

Background

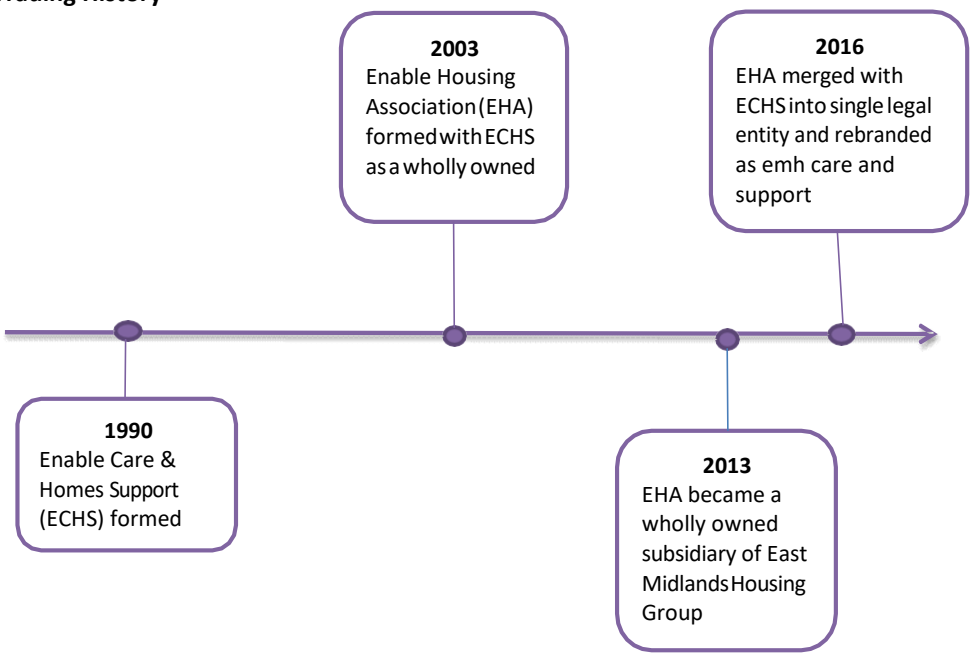
emh Care and Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The company was incorporated on 4th April 1990. Its principal activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons ;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

Structure, Governance & Management (continued)

Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Jim Holden	4/4
Tim Brown*	1/4
Vandna Gohil	4/4
Patricia McCabe	4/4
Margaret Coward	4/4
Prof Amanda Ashton**	3/4

*resigned as a trustee in September 2021 ** joined as a trustee in September 2021

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the company at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the company for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement

Customer engagement also plays a vital role in shaping the future of the organisation. We have previously offered a number of ways for our customers and their representatives to be involved in helping us achieve our mission including our Service User Forum.

Following the pandemic, the Service User Forum has been unable to engage with others and feedback has been limited. This remains a high priority for us and this group is being reviewed to ensure we can continue their valuable work in a more appropriate way.

Volunteers

Opportunities have resumed and people using day services are again being supported in community volunteering. We also partner with organisations to include people with learning disability in their activities or events. We are currently supporting volunteers with the following providers: Peak Rail, Matlock Farm Park, DDDC, DCC, Peak Park, The National Trust, Dukes Barn, the Hurst Farm Project, Tibshelf Parish Council, Ashfield District Council, Chesterfield District Council, Derby University. One exciting project we are working on is developing with, Peak Rail, the development of a new volunteer centre/ resource at Peak Rail in Matlock

Structure, Governance & Management (continued)

Volunteers (continued)

Staff continue to do as much as possible for our service users and communities especially in the current environment. The digital inclusion project that was launched during lockdown is still active. We have continued to advocate digital options and inclusion for disabled people resulting in the project being nominated for a National Learning Disability award.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2021: none).

Corporate Mission and Aims

The organisation strives to **"be the best social housing and care business".** This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this is a number of ways: -

Supported Housing

We manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

Charitable Activities (continued)

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 180 service users, providing around 11,870 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Day Services and Social Enterprise



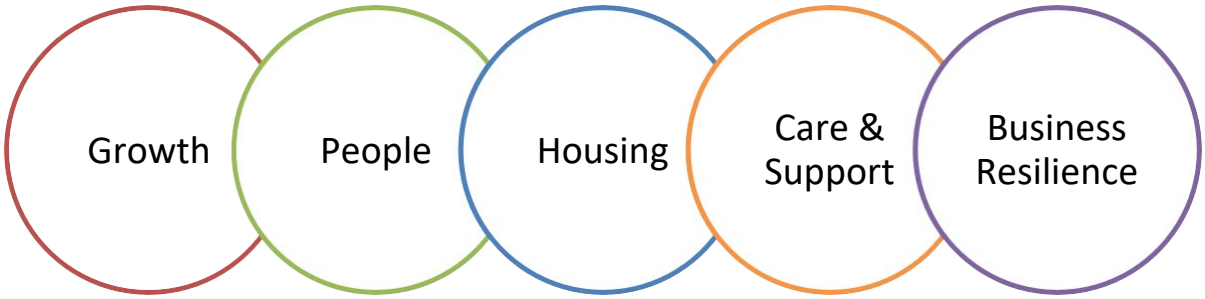
We manage 4 day centres supporting around 83 customers each week including our own residents and private customers. Over 220 support sessions are run every week providing valuable support to all our customers. We support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners including Adult Care, Adult community Education, Local Authorities and Employment services we provide a range of support and opportunities including, one to one support, support to get out and about in the community, access to learning and education and supported volunteering. We aim to improve life skills, knowledge, social interaction, independence and fulfilment.

We also aim to improve our customer's sense of purpose and offer opportunities for people to work in the community and to learn woodwork, baking and food preparation skills, with any funds generated from their sale being reinvested back into the day centres.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 300 units, some owned within the Group and some won on a tender basis. In September 2021 the Springfields scheme in Ashby-de-la-Zouch opened comprising of 50 rental units and 15 shared ownership properties. By self-funding this development it has allowed us to ensure that all services are provided in house and to the highest standard. Emh are committed to continuing to expand our extra care offer with a further 2 schemes in the pipeline.

Future Plans



The Group's latest Strategic Business Plan has been reviewed and updated. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.

Our Care and Support aim is to ***deliver a clear vision and strategy for our Care and Support arm that delivers "outstanding" services to the people that we support***. Our objectives to deliver this are: -

- ✓ We will provide consistently safe, compliant, high quality viable services as judged by our regulator and customers;
- ✓ We will investigate the expansion of the range and geography of the services we provide;
- ✓ We will work with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will actively seek opportunities to diversify our income streams, generating sustainable surpluses and demonstrating strong budgetary controls;
- ✓ Actively promote career opportunities in social care to realise a fully recruited team of dedicated staff;

During the year we have continued to make significant progress against our objectives and are proud of our many achievements.

Developing our Services

As per the Care and Support Strategy our key focus is to deliver a high quality safe service and we have continued to focus on this priority. Our ambitions to grow the business and explore innovative solutions to continually improve the care that we provide to our service users remain key and is investigated at every opportunity.

Working with Leicester City Council we continue to manage the contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples.

In addition to the frameworks that we are longstanding members of we have also secured In August 2021, we successfully secured inclusion on to the NHS Derby & Derbyshire Nursing Homes Preferred Providers List.

Developing our Services (continued)



The delivery of care to older people continues to be a strategically important part of our service offering and with the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution. Emh has five extra care schemes that are operational at present , St Mary's Lutterworth, Oak Court Blay, Waterside Court Loughborough, Wrights Court Northampton and Springfields Ashby de la Zouch. Our Development Strategy (2021-2025) supports the provision of two further extra care schemes as part of our commitment to delivering 10% supported housing within our programme.

Through our partnership work we have identified two opportunities to deliver extra care schemes and are currently working on these to prepare for planning. The first scheme is in Leicester City and will provide 75 extra care homes with associated facilities. It is based on an intergenerational model with a mix of working age adults and older people with care and support needs. The second scheme is in Blaby , scheme of 120 homes with associated facilities . Our approach is based on partnership and collaboration with key stakeholders to ensure we design quality schemes integrated within the local community.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -

Outstanding
The service is performing exceptionally well.

Good
The service is performing well and meeting our expectations.

Requires improvement
The service isn't performing as well as it should be and we have told the service how it must improve.

Inadequate
The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs

Regulation (continued)

5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

Our registered services are rated good by the CQC with the exception of two services that require improvement in one area.

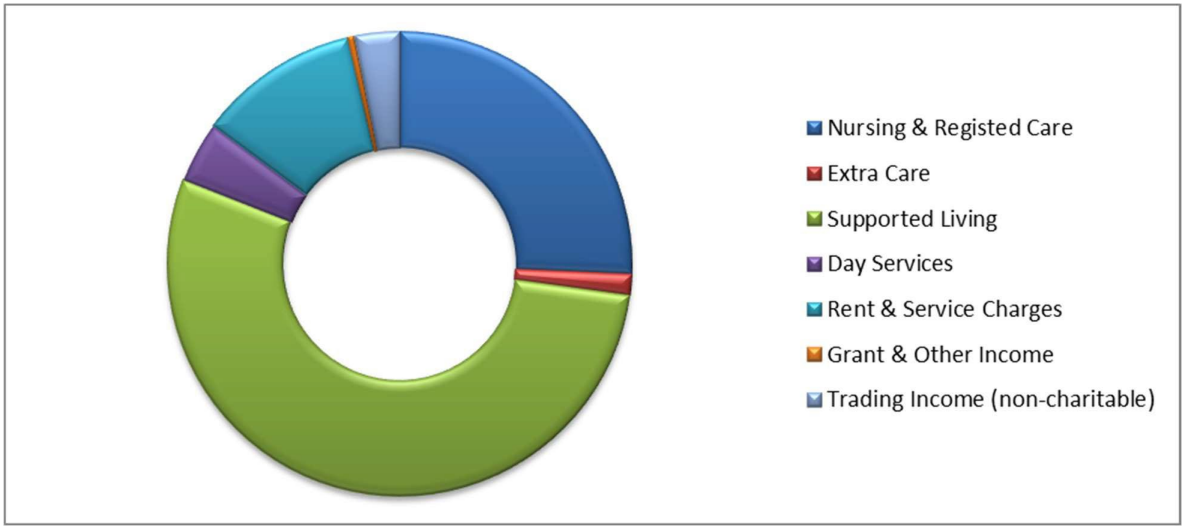
Our new Extra Care scheme in Ashby de la Zouch, Leicestershire opened in September 2022. The CQC assessment took place in May 2022 with the outcome report now awaited.

Financial Review & Reserves Policy

The company generated £18.5m of income during the year, a slight decrease of £0.2m from the prior year. 2020-21 was an exceptional year with access to a significant amount of funding in relation to the Covid-19 pandemic and a sale of a property. Whilst there has been some income to support costs incurred due to the pandemic this has reduced significantly in the current year.

97% of our income is generated through our charitable activities. This has increased from 96% in the previous year as less funding has been received in relation to Covid-19 which is a non charitable activity. As with previous years a small amount of income was generated from non-charitable activities including income from our social enterprise.

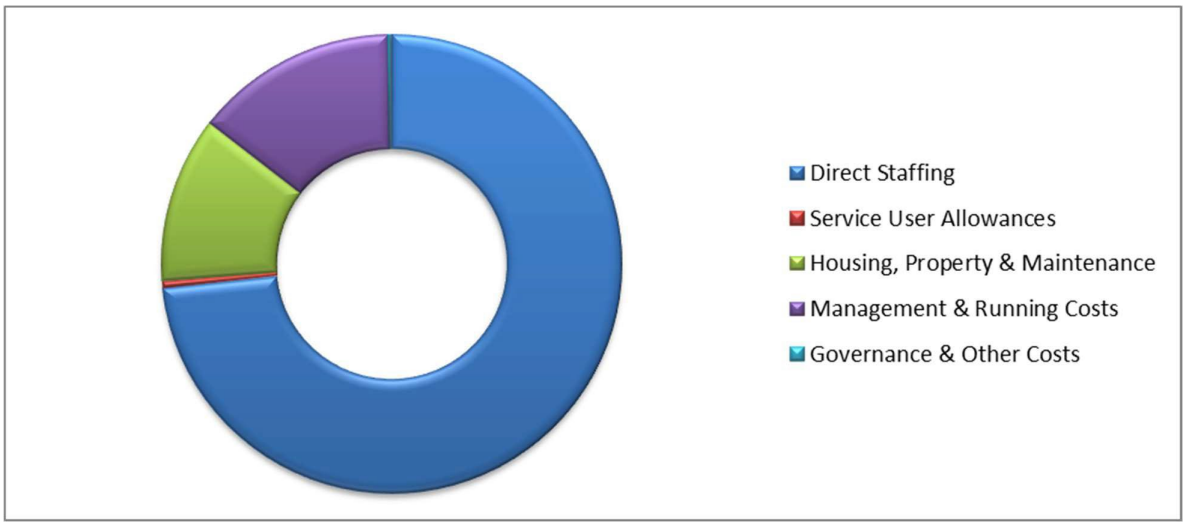
All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

Financial Review & Reserves Policy (continued)

Running costs and overheads of £19.1m were incurred in the year, £2m higher than in 2021. This includes significant additional costs in relation to the high level of care provided. A resource shortage in the care sector has led to increased staffing costs. The chart below shows the main expenditure areas:



We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives. Our Statement of Financial Activities shows a deficit for the year of (£539k) (2021: £1,064k surplus). This has been an unprecedented year where we have seen increased costs largely due to the after affects of the pandemic with funding to support this greatly reduced. Strategic plans are in place to mitigate these losses in the future. This includes a decrease in pension liabilities of £5k following the reassessment by the actuary.

2022 has been a challenging year and balancing quality services with financial viability will continue to be a key focus of the organisation with our ultimate aim being for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

At the end of the financial year the organisation had fixed assets of £9.5m (2021: £9.7m), net current assets of £7.5m (2021: £8m) and total funds of £15.5m (2020: £16m) indicating a healthy financial position has been maintained. Cash balances have increased by £0.2m over the year.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment remains challenging and uncertain with the ongoing impacts of COVID19, resource scarcity, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

As with many providers in our sector the current environment has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We maintained our new working practices with high service standards and continued to access funding where possible to support with increased running costs. As we emerge from the pandemic the landscape is continually monitored and risks identified and mitigated where possible. Challenges in the coming year have been acknowledged and plans are in place to move the services forward and improve the financial position where possible.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of People with Disabilities

The company's policy is to give full and fair consideration to applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities. People with disabilities receive appropriate training to promote their career development within the company. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

Grants and Donations

During the year the company made no charitable donations (2021: £nil).

The company has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by: -

J. Tilley
J. Tilley (Aug 3, 2022 12:47 GMT+1)

JOANNE TILLEY
Secretary
28th July 2022

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

The trustees are responsible for preparing the Trustees' 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. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

jim holden

jim holden (Aug 5, 2022 12:30 GMT+1)

Jim Holden
Chair
28th July 2022

Opinion
We have audited the financial statements of emh Care and Support Limited ("the charitable company") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 2.

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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the Charitable company or to cease its operations, and as they have concluded that the Charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the Charitable company's business model and analysed how those risks might affect the Charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees, the audit committee and inspection of policy documentation as to the Charitable company's high-level policies and procedures to prevent and detect fraud, and the Charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that Care and Support income is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Charitable company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.
- Sample testing of care and support income relating to the period prior to 31 March 2022 to determine whether income is recognised in the correct accounting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards), and discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Charitable Company is subject to 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 and data protection laws, recognising the regulated nature of the Charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information
The Trustees are responsible for the Trustees' Annual Report. Our opinion on the financial statements does not cover the that report and we do not express an audit opinion thereon.

Our responsibility is to read the Trustees' Annual Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Trustees' Annual Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Trustees' responsibilities
As explained more fully in their statement set out on page 13, the Trustees are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill,
Snow Hill Queensway
Birmingham
B4 6GH

09 August 2022

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 Unrestricted Funds £000	2022 Restricted Funds £000	2022 Total Funds £000	2021 Total Funds £000
Income from :					
Income from Charitable Activities	3	17,957	-	17,957	17,923
Other income	4	578	-	578	791
Total Incoming Resources		18,535	-	18,535	18,714
Resources Expended					
Expenditure on :					
Charitable activities:	3	19,022	11	19,033	17,054
Other Expenditure	5	46	-	46	37
Total Resources Expended		19,068	11	19,079	17,091
Remeasurement of Social Housing Pension Scheme	8	5	-	5	(559)
Net movement in funds		(528)	(11)	(539)	1,064
Funds brought forward at 1 April 2021		15,296	753	16,049	14,985
Funds carried forward at 31 March 2022		14,768	742	15,510	16,049

The results shown above are all derived from continuing activities.

EMH CARE AND SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Fixed assets			
Housing properties	11	7,893	7,931
Other fixed assets	11	1,563	1,808
		9,456	9,739
Current assets			
Trade and other debtors	13	2,133	2,481
Cash and cash equivalents		7,131	6,926
		9,264	9,407
Creditors: amounts falling due within one year	14	(1,718)	(1,415)
Net current assets		7,546	7,992
Total assets less current liabilities		17,002	17,731
Creditors: amounts falling due after more than one year	15	(712)	(723)
Provision for liabilities			
Other provisions	17	(113)	(174)
Pension liability	8	(667)	(785)
Net assets		15,510	16,049
Funds			
Unrestricted	18	14,768	15,296
Restricted	19	742	753
		15,510	16,049

These financial statements were approved by the Board on 28 July 2022 and were signed on its behalf by:

jim holden
jim holden (Aug 5, 2022 12:30 GMT+1)

Jim
Holden
Chair

J. Tilley
J. Tilley (Aug 3, 2022 12:47 GMT+1)

Joanne
Tilley
Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2021 £000
Net cash inflow/(outflow) from operating activities	24	357	918
Cash Flows from Investing Activities			
Interest received		-	3
Purchase of tangible assets		(157)	(235)
Receipts from sale of assets		-	433
Cash provided by (used by) Investing Activities		(157)	201
Cash Flows from Financing Activities			
Interest received/(paid)		5	5
Cash provided (used by)/by Financing Activities		5	5
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		205	1,124
Cash and Cash equivalents at 1 April		6,926	5,802
Cash and Cash equivalents at 31 March		7,131	6,926

	At 1 April 2021 £000	Cash Flows £000	At 31 March 2022 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	6,926	205	7,131
Total Cash and Cash equivalents	6,926	205	7,131

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2022, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and
Related Parties note.

Going Concern
The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2022 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan.

The board, after reviewing the charity budgets for 2022/23 and the charity's medium term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

2 Principal Accounting Policies (continued)

Going Concern (continued)
- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;

- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;

- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources
All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended
Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2 Principal Accounting Policies (continued)

Housing properties
Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Non component works to existing properties
The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Other tangible fixed assets
Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant

Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long-term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets

The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the Charity. For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Pensions Trust Social Housing Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2 Principal Accounting Policies (continued)

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds
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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for purposes. The aim and use of each designated fund is set out above in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and Provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments
The trust only has financial assets and financial 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.

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolesce

No triggers for impairment have been identified.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

	2022 £000	2021 £000
3 Charitable Activities		
Income from Charitable Activities		
Registered care funding	5,034	5,047
Supported living & day care contracts	10,750	10,596
Rental income & service charges	2,087	2,186
Amortised government grant	9	13
Other Charitable Income	77	81
Total Income from Charitable Activities	17,957	17,923
Expenditure on Charitable Activities		
Care staff costs, including training	13,983	12,970
Service user allowances	89	78
Housing costs	1,121	934
Maintenance costs	676	369
Salaries & management costs	2,577	2,148
Registration fees	10	12
Professional fees	51	56
Depreciation and impairment	428	226
Bad Debts	44	40
Other costs	43	201
Total Expenditure on Charitable Activities	19,022	17,034
Restricted Funds		
Depreciation and impairment	11	12
Write 0ffs	-	8
	11	20

4 Other Income		
Fixed asset disposal proceeds	-	252
Fixed asset grant abated	-	181
Fixed asset cost of disposals	-	(242)
Gain on disposal of fixed assets	-	191
Interest Received	-	3
Other Income	578	597
Total Other Income	578	791

	2022 £000	2021 £000
5 Other Expenditure		
Interest Payable	15	7
Governance;		
Professional Fees	31	30
Total Other Expenditure	46	37

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:		
Depreciation & amortisation	440	245
Auditors remuneration	31	30

7 Staff numbers and costs

The average number of persons employed by the company (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2022 Number	2021 Number
Care and support staff	406	375
Office Staff	58	56
Trustees	5	5
	469	436

	2022 £000	2021 £000
Staff costs for the above persons:		
Wages and salaries	11,488	11,413
Social security costs	956	941
Pension costs	583	584
Termination Benefits	19	24
	13,046	12,962

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

8 Employee Benefits

The company operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2022

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2021	785	3
Loss/(profit)in the period charged to the profit & loss account	20	(1)
Loss in the period charged to other comprehensive income	(5)	-
Deficit contribution paid	(133)	-
Net liability at 31 March 2022	667	2

The Pensions Trust - Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	2022 £'000	2021 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	4,058	4,148
Present value of defined benefit obligation	(4,725)	(4,933)
Defined benefit (liability)/asset to be recognised	(667)	(785)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	4,933	4,064
Expenses	5	5
Interest expense	104	96
Actuarial losses/(gains) due to scheme experience	175	(21)
Actuarial losses/(gains) due to changes in demographic assumptions	(79)	18
Actuarial losses/(gains) due to changes in financial assumptions	(299)	885
Benefits paid and expenses	(114)	(114)
Defined benefit obligation at end of period	4,725	4,933
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	4,148	3,720
Interest income	89	89
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(198)	323
Contributions by the employer	133	130
Benefits paid and expenses	(114)	(114)
Fair value of plan assets at end of period	4,058	4,148

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £109,000.

Defined benefit costs recognised in statement of comprehensive income (SOCI)		
Expenses	5	5
Net interest expense	15	7
Defined benefit costs recognised in statement of comprehensive income (SoCI)	20	12

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2022 £'000	2021 £'000
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	(198)	323
Experience gains and losses arising on the plan liabilities - (loss)/gain	(175)	21
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	79	(18)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	299	(885)
Total amount recognised in other comprehensive income - (loss)/gain	5	(559)

Assets		
Global Equity	779	661
Absolute Return	163	229
Distressed Opportunities	145	120
Credit Relative Value	135	131
Alternative Risk Premia	134	156
Emerging Markets Debt	118	167
Risk Sharing	134	151
Insurance-Linked Securities	95	100
Property	110	86
Infrastructure	289	277
Private Debt	104	99
Opportunistic Illiquid Credit	136	105
High Yield	35	124
Opportunistic Credit	14	114
Cash	14	-
Corporate Bond Fund	271	245
Liquid Credit	-	50
Long Lease Property	104	81
Secured Income	151	173
Liability Driven Investment	1,132	1,054
Currency Hedging	(16)	-
Net Current Assets	11	25
Total assets	4,058	4,148

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2022 % per annum	2021 % per annum
Discount Rate	2.79	2.14
Inflation (RPI)	3.66	3.30
Inflation (CPI)	3.23	2.85
Salary Growth	4.23	3.85
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but given the current level of uncertainties, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

The Pensions Trust - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3.312m per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11.243 per annum (payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2022 £000	2021 £000
Present Value of provision		
Present value of provision at period end	2	3
Reconciliation of opening and closing provisions		
Provision at start of period	3	4
Unwinding of discount factor (interest expense)	-	-
Deficit contribution paid	(1)	(1)
Provision at the end of period	2	3

	2022 £000	2021 £000
8 Employee Benefits (continued)		
Assumptions		
Rate of discount per annum	2.35%	0.66%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration

Fees payable to the company's auditor for the audit of the annual accounts	31	30

10 Taxation

The company is a registered charity and has no trading activities liable to taxation

11 Fixed Assets

Housing Assets	Assets in the Course of Construction £000	Housing properties for letting £000	Care and support properties £000	Total £000
Cost				
1 April 2021	47	6,303	4,704	11,054
Replacement of Components	(22)	143	13	134
Disposals	-	(50)	(8)	(58)
31 March 2022	25	6,396	4,709	11,130
Accumulated depreciation				
1 April 2021	-	1,485	1,321	2,806
Charge for year	-	111	61	172
Disposals	-	(56)	(2)	(58)
31 March 2022	-	1,540	1,380	2,920
Impairment				
1 April 2021	-	-	317	317
31 March 2022	-	-	317	317
Net book value				
31 March 2022	25	4,856	3,012	7,893
31 March 2021	47	4,818	3,066	7,931

Other Fixed Assets	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2021	930	849	530	173	2,482
Additions	-	14	9	-	23
Disposals	-	-	(103)	-	(103)
31 March 2022	930	863	436	173	2,402
Accumulated depreciation					
1 April 2021	304	17	226	127	674
Charge for year	3	124	124	17	268
Disposals	-	-	(103)	-	(103)
31 March 2022	307	141	247	144	839
Net book value					
31 March 2022	623	722	189	29	1,563
31 March 2021	626	832	304	46	1,808

	2022 £000	2021 £000
12 Impairment of Housing Assets		

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors		
Current tenant arrears	65	86
Less provision for bad and doubtful debts	(42)	(56)
Former tenant arrears	8	2
Less provision for bad and doubtful debts	(8)	(2)
Trade debtors	845	1,790
Less provision for trade debtors	(38)	(28)
Prepayments and accrued income	747	624
Other debtors	12	5
Amounts due from Group Companies	544	60
	2,133	2,481

14 Creditors: amounts falling due within one year		
Trade creditors	591	265
Rent received in advance	70	36
Accruals and deferred income	987	1,041
Other creditors	26	26
Pension deficit contributions	2	1
Amounts due to Group Companies	42	46
	1,718	1,415

	2022 £000	2021 £000
15 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 16)	712	721
Pension deficit contributions	-	2
	712	723

16 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2021	721	721
Released to income in the year	(9)	(9)
At 31 March 2022	712	712

17 Provision for Liabilities

	Opening balance as at 1 April 2021	Additional Commitments made during the year	Provisions reversed during the year	Closing balance as at 31 March 2022
Leave Pay	174	-	(61)	113
	174	-	(61)	113

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

18 Unrestricted Funds

	Balance at 1 April 2021 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2022 £000
Retained Surpluses	15,296	(528)	-	14,768
	15,296	(528)	-	14,768

19 Restricted Funds	Balance at 1 April 2021 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2022 £000
Property fund - NHS	653	-	(9)	644
SEIF Capital Grant	100	-	(2)	98
	753	-	(11)	742

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	742	-	742
Unrestricted Funds	8,714	6,054	14,768
	9,456	6,054	15,510

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2022 £000	2021 £000

22 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:		
EMH Housing & Regeneration Ltd	577	408

Sales to EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	1,220	863
EMH Housing & Regeneration Ltd	38	38

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors		
EMH Housing & Regeneration Ltd	544	60
Creditors		
East Midlands Housing Group Limited	22	13
EMH Housing & Regeneration Ltd	20	33

23 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

	2022 £000	2021 £000
24 Notes to the Cash Flow Statement		
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income for reporting period (as per the statement of financial activities)	(539)	1,064
Adjustments for :		
Depreciation charges	440	245
(Gain) on disposal of assets	-	(191)
Interest Receivable	-	(3)
Interest Payable	15	7
Deferred government grants	(9)	(14)
Pensions costs less contributions payable	(139)	428
Grant abated	-	(181)
Decrease/(increase) in debtors	348	82
Increase/decrease) in creditors	302	(586)
(Decrease)/increase in provisions	(61)	67
Net cash inflow/(outflow) from operating activities	357	918

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Year end report 2021/22

EMH Group

July 2022

Key contacts

Your key contacts in connection with this report are:

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EMH Group

Introduction

To the Audit Committee of EMH Group

We are pleased to have the opportunity to meet with you on 12 July 2022 to discuss the results of our audit of the consolidated financial statements of East Midlands Housing Group (the 'Association') (and its subsidiaries (the 'Group'), as at and for the year ended 31 March 2022.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 08 February 2022. We will be pleased to elaborate on the matters covered in this report when we meet.

Our audit is substantially complete. There have been no significant changes to our audit plan and strategy other than a reduction in our assessment of the risk of fraudulent revenue recognition associated with property sales.

Subject to the Board's approval, we expect to be in a position to sign our audit opinion on the Group's financial statements within the week after the board meetings at the end of July 2022, provided that the outstanding matters noted on page 5 of this report are satisfactorily resolved.

We expect to issue an unmodified Auditor's Report.

We draw your attention to the important notice on page 4 of this report, which explains:

— The purpose of this report; and

— Limitations on work performed;

— Restrictions on distribution of this report.

Yours sincerely,



Sarah Brown

Engagement partner
12 July 2022

How we have delivered audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

— Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and

— All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

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Important notice

This report is presented under the terms of our audit engagement letter.

Circulation of this report is restricted.

The content of this report is based solely on the procedures necessary for our audit.

This report has been prepared for the Audit Committee, in order to communicate matters of interest as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this report, or for the opinions we have formed in respect of this report.

Purpose of this report

This Report has been prepared in connection with our audit of the consolidated financial statements of EMH Group (the 'Association') and its subsidiaries (the 'Group'), prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland, as at and for the year ended 31 March 2022.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Group's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors reporting to the Association's members in accordance with the Co-operative and Community Benefit Societies Act and Charities SORP.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is not yet complete and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status at the Audit Committee meeting but would like to highlight the following work is still outstanding:

- Management representation letter;
- Review of the front end of the accounts, disclosure checklist and casting;
- Going concern review;
- Consolidation;
- Finalisation of stock and WIP recoverability assessment;
- Finalisation of testing on the non-significant account areas; and
- Finalisation of the pensions work, including the KPMG actuaries review of assumptions; and
- Completion of the high risk journals testing.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Group; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

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Our audit findings

Significant audit risks

Page 7 – 9

	Risk change	Our findings
Valuation of post retirement benefit obligations	● No change	Control deficiency noted over management's review of the assumptions used.
Revenue recognition	● No change	Our testing is now completed and subject to final review.

Other areas of focus

Page 10 –14

Recoverably of stock and work in progress	▼ Decrease	Our testing is now completed and subject to final review.
Management override of controls	● No change	We have identified the journals sample deemed to be high risk against our criteria for further testing, but this work is still ongoing.
Going concern	● No change	Our work in this area is still underway, nothing has been brought to our attention to date to suggest that the Group is not a going concern.
Regulatory compliance, litigations and claims	● No change	No issues have been identified.

Key accounting estimates

Page 15

Defined Benefit pension Liability	TBC	Our KPMG actuaries are assessing the actuaries assumptions. We will be able to give a verbal update at the committee meeting.
Stock and WIP recoverability	Neutral	No concerns raised to date as to the recoverability of stock and WIP.

Number of Control deficiencies

Page 9, 25 - 26

Significant control deficiencies	0
Other control deficiencies	4

Adjusted audit misstatements

Page 27

Understatement/(overstatement)

	£'000
Remeasurement of LGPS	(661)
Net asset LCC LGPS March 2022	(661)

Outstanding matters

Our audit is substantially complete except for the following deliverables

- Management representation letter;
- Review of the Front end of the accounts, disclosure checklist and casting;
- Going concern review;
- Consolidation;
- Finalisation of Care and Support income sample testing;
- Finalisation of stock and WIP recoverability assessment;
- Finalisation of testing on the non-significant account areas and sample testing;
- Finalisation of the pensions work, including the KPMG actuaries review of assumptions; and
- Completion of the high risk journals testing.

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Key changes to our audit plan

We have not made any changes to our audit plan as communicated to you on 08 February 2022, other than as follows:

Risk/change	Effect on audit plan
Revenue recognition	– Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. Whilst we rebutted the fraud risk in respect of social housing income, specifically social housing rent receivable, service charge income and amortisation of government grant, we recognised a fraud risk over first tranche shared ownership sales. As a significant part of the Group's strategy is linked to its sales programme we considered there to be potential incentive to overstate sales at the end of the period. However, following our updated risk assessment we acknowledge that EMH recognises income upon receipt of a legal completion statement and cash and therefore the opportunity to manipulate revenue from sales is remote. Based on the restricted opportunity for management to fraudulently recognise revenue we have now rebutted the risk for property sales. – Overall we do not consider there to be any factors that would give rise significant opportunities that would increase the risk of fraudulent revenue recognition and therefore the risk is rebutted for all revenue streams.
Stock and WIP recoverability	– We included in our Audit Plan a significant audit risk in relation to the recoverability of stock and work in progress. We however noted that the risk would be dependent upon the size and nature of the stock held on the balance sheet at the year end and therefore noted that we may revise our assessment of this risk. – As at the year ended 31 March 2022, we noted the total stock balance was £15.3m. Of the £15.3m balance, £5.1m related to properties that were completed and held for sale. As these properties are complete (with no forecast future costs) and being actively marketed, including a number of units that have been reserved or sold post year end, we do not consider this balance to have significant estimation uncertainty. The remaining stock balance of £10.2m is made up of first tranche shared ownership properties under the course of construction. With group materiality of £3.1m we would need approximately 30% of the balance to be misstated to result in a material misstatement – this would require a large number of schemes to have a forecast loss, which would be very unlikely given the Group has historically achieved healthy margins on its first tranche sales. Therefore we have concluded that there is no significant risk that the carrying value of stock and work in progress is less than the net realisable value.

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Significant risks and other areas of focus

Significant audit risks

1	Valuation of post retirement benefit obligations
2	Revenue recognition – fraud risk related to revenue recognition

Other areas of audit focus

3	Recoverability of stock and work in progress
4	Management override of controls
5	Going Concern
6	Regulatory compliance, litigation and claims

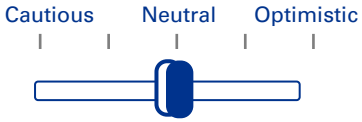
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Audit risks



1 Valuation of post retirement benefit obligations

Risk of error in relation to the valuation of post retirement benefit obligations

Significant audit risk

The risk

An inappropriate amount is estimated and recorded for the defined benefit obligation.

The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Group's pension liability could have a significant effect on the financial position of the Group.

The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Group in completing the year end valuation of the pension deficit and the year on year movements.

The significant risk relates only to SHPS and the Derbyshire County Council (DCC) pension scheme which has gross liabilities of £39m.

Gross liabilities for the Leicestershire County Council (LCC) pension scheme are £8m .

Our response

We performed the following procedures:

— Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data.

— Confirm that the accounting treatment and entries applied by the Group are in line with FRS102 and the SORP;

— Consider the adequacy of the Group's disclosures in respect of the sensitivity of the deficit to these assumptions.

— Confirmed that the pension note included all required information as set out in FRS102.

Our findings

We acknowledge that there is a review of key assumptions and evidence of challenge by management but we do not place reliance on this control due to the lack of precision and documentation. Whilst this Management Review Control may be achieving the control objective set by management (we have not confirmed this), it does not meet the control requirements as defined by the FRC in its auditing standards. We do not consider this to be a significant deficiency in the internal control environment.

Our KPMG actuaries have noted that the SHPS assumptions are balances relative to our central rates. Work over the LGPS assumptions is still on going.

While valuation of the LCC defined benefit obligation is not linked to a significant risk we have performed proportionate procedures and reported an adjusted audit misstatement on the LCC LGPS net asset position. It is generally expected that the employer would not have the right to a refund and therefore it is hard to demonstrate that the asset is recoverability. Management have agreed to cap to net asset to 0 and adjust for this in the accounts.

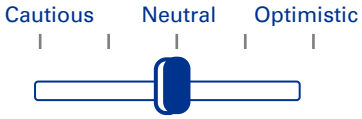
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Audit risks



2 Revenue recognition Care and support income

Fraud risk related to misstatement of revenues

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

We do not consider there to be financial incentives that give rise to incentives or pressures that increase the risk of fraudulent revenue recognition.

We have rebutted the fraud risk in respect of the below revenue streams based on the fixed income value of the streams with limited manual intervention or scope for manual intervention. Due to the predictability of this revenue stream there is deemed to be limited opportunity for the fraudulent revenue recognition. This applies to the following revenue streams: Social housing rent receivable; Service charge income; Amortisation of government grant and first tranche shared ownership sales.

Significant audit risk

The risk

When revenue is recognised from the sale of goods or delivery of service, revenue is not recognised in the correct accounting period.

EMH CS provides a social care service for which it receives revenue from local authorities and self-paying residents. There may be pressure on management from the Board, third party lenders and other stakeholders to show a surplus in the Charity.

For income from social care services, revenue could be fraudulently recognised by recognising revenue for care services which have not been provided.

We believe this risk would manifest through manipulation of the revenue accrual, as revenue is recognised for care services provided but not billed in accordance with timesheets submitted; and so revenue may be recognised for time which was not worked.

Our response

We evaluated the design and implementation of a control to ensure that revenue is reconciled to the submitted timesheets, and that timesheets are reviewed and approved to ensure they represent the substance of the care provided.

We agreed a sample of revenue accruals to post year-end invoices agreed with and paid by the Group/Subsidiary's customers.

We recalculated a sample of un-paid revenue accruals based on the schedule of rates set out in the contract, and the approved timesheets.

Our findings

We have performed in year substantive testing and also completed cut-off testing over the Care and Support income. Our testing is now complete, subject to final review.

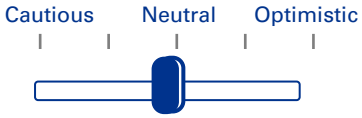
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Audit risks



3 **Recoverability of stock and work in progress**

Risk of error in relation to the valuation of properties held in stock and work in progress

Other area of audit focus

The risk

An inappropriate amount is estimated for the net realisable value (NRV) of stock and work in progress, or an incorrect amount is recorded for the lower of cost and NRV.

Property held in stock and work in progress comprises properties which are speculatively developed for shared ownership sale. FRS102 requires these properties to be recognised at the lower of cost or net realisable value.

In order to assess the net realisable value of property held in stock and work in progress, site appraisals are prepared which include forecast revenue and costs and provide an indication of the recoverability of property held in stock and work in progress. Site appraisals include a number of judgements that could have a significant effect on the net realisable value of the property.

The risk will be dependent upon the size and nature of the stock held on the balance sheet at the year end.

Risk Update

Since the audit plan, this risk has been down graded from a significant risk to an other area of audit focus – see page 6.

Our response

We performed the following procedures:

— Understand the processes the Group has in place to assess recoverability of stock and work in progress. We will review this process and identify and test the design and implementation of controls in place for assessing recoverability of stock and work in progress;

— Verify if completed stock has been sold following the year end date;

— Verify if reservations have been made for the stock during or after the financial year;

— Obtain management's forecast revenue and costs and challenge the judgements made as part of the forecasts. This will include the rationale for forecasted sales prices, comparison to equivalent unit sales and consideration of sales conditions within the geographical area. We will perform sensitivity analysis over the forecasted costs and the impact on the recoverability of the site to price increases from the original forecast.

Our findings

For the completed properties held in stock as at 31 March, we have tested post year end sales and concluded that these were sold for more than or equal to the balance held in stock.

For schemes in development in WIP as at 31 March, we have assessed the potential impact of increasing build costs could have on the recoverability of these schemes. This was concluded as having a low risk of material impact due to fixed price contracts already being in place.

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Audit risks

4 Management override of controls

Fraud risk related to unpredictable way management override of controls may occur

Other area of audit focus

The risk

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit.

Our response

We performed the following procedures:

- In line with our methodology, we tested the operating effectiveness of controls over journal entries and post closing adjustments.
- Substantively tested identified high risk journals to supporting evidence. In addition we substantively tested all material post closing adjustments.
- Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assessed the appropriateness of the accounting for significant transactions that are outside the component's normal course of business, or are otherwise unusual.

Our findings

We have identified the journals sample deemed to be high risk against our criteria for further testing, but this work is still ongoing.

We have not found any findings to bring to your attention in relation to these matters to date.

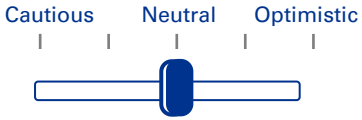
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Audit risks



5 Going Concern

Risk relating to disclosures related to going concern including the judgement of whether there is material uncertainty

Other area of audit focus

The risk

Management's assessment of the entity's ability to continue as a going concern involves significant judgment with respect to future scenarios and their impact on cashflows.

COVID-19, coupled with the potential ongoing impacts of may cast significant doubt on the entity's ability to continue as a going concern and may indicate the existence of a material uncertainty.

Our response

We performed the following procedures:

- Evaluated how management's risk assessment process identifies business risks relating to events and conditions that may cast significant doubt on the ability to continue as a going concern.
- Evaluated the models management uses in its assessment, including use of the work of experts, and evaluate how the information system captures events and conditions that may cast significant doubt on ability to continue as a going concern.
- Evaluated whether management's assessment has failed to identify events or conditions that may cast significant doubt on going concern and whether the method used by management is appropriate.
- Assessed the reasonableness of management's budgets/forecasts and evaluate whether key assumptions are within a reasonable range, and assess the plausible but severe downside scenarios particularly whether those downside scenarios reflect plausible impacts of COVID-19 on the business.
- Evaluated whether sufficient and appropriate audit evidence has been obtained to conclude whether a material uncertainty exists and the appropriateness of management's use (or otherwise) of the going concern basis of accounting.
- Evaluated whether there is adequate support for the assumptions underlying management's assessment, whether they are realistic and achievable and consistent with the external and/or internal environment and other matters identified in the audit.
- Challenged management's plans for future actions, and verify the reliability and relevance of data used. Determine whether the outcome of these plans is likely to improve the situation and whether management's plans are feasible.

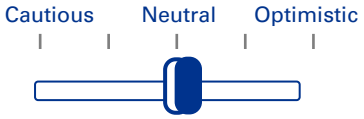
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Audit risks



5 Going Concern

Risk relating to disclosures related to going concern including the judgement of whether there is material uncertainty

Other area of audit focus

The risk

Management's assessment of the entity's ability to continue as a going concern involves significant judgment with respect to future scenarios and their impact on cashflows.

COVID-19, coupled with the potential ongoing impacts of may cast significant doubt on the entity's ability to continue as a going concern and may indicate the existence of a material uncertainty.

Our findings

Our work in this area is still underway and therefore we are unable to conclude on going concern at this stage. However, nothing has been brought to our attention to date to suggest that the Group is not a going concern.

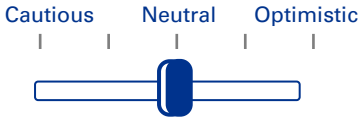
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Audit risks



6 **Regulatory compliance, litigation and claims**

Compliance with reporting requirements in respect of regulatory compliance, litigation and claims.

Other area of audit focus

The risk

The Group will again be required to confirm in their 2021/22 annual report that they comply with all aspects of the Regulator of Social Housing's Governance and Financial Viability Standard.

The Group will also need to be aware of any litigation or claims, which may then require disclosure or provision in the 2021/22 accounts

Our response

Our consideration of the Group's regulatory compliance included the following procedures:

— We reviewed evidence as to how the Group gains assurance that it complies with all aspects of the Regulator of Social Housing's Governance and Financial Viability standard; and

— We made enquiries with key members of management, those charged with governance, and internal audit as appropriate

Our findings

No issues have been identified so far however our work is still in progress, specifically over our work on the Value for Money metrics and disclosures in the financial statements. We will provide a summary of our findings in the final report.

With regards to the recent in-depth assessment (IDA) from the regulator, we noted the judgements reached by the Regulator with the Group being graded G1 and V1 in respect to both governance and viability. We do not consider these findings to impact our reporting in this area.

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EMH Group

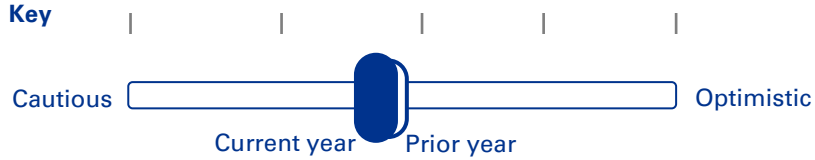
Key accounting estimates - Overview

Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.

Cautious means a smaller asset or bigger liability; optimistic is the reverse.

Key



Asset/liability class	Our view of management judgement	Balance (£'000)	YoY change (£')	Our view of disclosure of judgements & estimates	Further comments
Stock and WIP recoverability	Cautious / Neutral / Optimistic	**15,366**	**464**	Needs improvement / Neutral / Best practice	Management performed a year end recoverability review of stock & WIP. No misstatements or issues have been identified as a result of our testing to date but we are still finalising our testing.
LGPS and SHPS met liability		**(8,630)**	**10,305**		Our KPMG actuaries have noted that the SHPS assumptions are balances relative to our central rates. Work over the LGPS assumptions is still on going.

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EMH Group

Group audits - involvement in significant components

Below we set out the entities in scope for the group opinion, and the significant risks which exist within each entity.

Our criteria for rebuttal of the fraud risk related to revenue recognition is the same across each entity.

Entity	1	2	3
EMH Group (Parent)	✓		✓
EMH Homes	✓		✓
EMH Care and Support	✓	✓	✓
EMH Development Company			✓
EMH Sharpes			✓
Midlands Rural Housing Association	✓		✓
EMH Treasury Plc			✓

Significant risks	
1	Valuation of post retirement benefit obligations
2	Revenue recognition – fraud risk related to revenue recognition
3	Management override of controls

✓ *Risk in entity is relevant to group audit.*

✓ *Risk in entity is not material to the group audit, but is relevant to the statutory audit.*

Also please note we audit the consolidated group accounts.

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EMH Treasury PLC

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Significant risks and other areas of focus	19

EMH Treasury

Summary of audit findings

Materiality

During our audit planning we determined materiality for the EMH Treasury Plc based on gross assets as follows:

- Materiality for the financial statements as a whole - £1.5m (2021: £1.5m)
- Performance materiality (used to assess extent of audit procedures) - £1.12m (2021: £1.13m)
- Misstatements reported to the audit committee - £75k (2021: £75k)

There were no changes to our planned materiality.

Outstanding matters

Our audit is substantially complete except for the following deliverables

- Management representation letter
- Review of the Front end of the accounts, disclosure checklists and casting
- Going concern review; and
- Finalisation of testing on non-significant account areas.

Significant risks

Page 19

Significant audit risks	Risk change	Our findings
Recoverability of long term debtor	Stable	No issues have been found to date but our work is still ongoing.

Audit report

A copy of our draft audit report will be provided separately to this document.

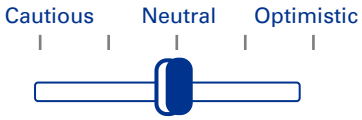
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EMH Group

Key audit matters



1 Recoverability of long term debtor

Risk of error in relation to the valuation of long term debtors

Key audit matter

The risk

An impairment loss is not recognised for financial assets measured at amortised cost when there is objective evidence of impairment.

The Company's primary activity is to issue bonds, source investor financing and on-lend to the Parent. It therefore has long term liabilities which relate to the bonds issued and long term intercompany debtors which relate to the loans provided to the Parent.

The carrying amount of the long term intercompany debtor balance represents 99% of the Company's total assets. Recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Company financial statements, this is considered to be the area that had the greatest effect on our overall Company audit.

Whilst there are small amounts of financial income and financial expense during the loan period, the risk mainly stems from the expectation of the ability of the Parent to repay the loan in 22 years.

Our response

We performed the following procedures:

i. **Assessment of Recoverability:** Assess 100% of intercompany long term debtors owed by the Parent (2021: 100%) to identify, with reference to the Parent's financial draft balance sheet, whether they have a positive net asset value and sufficient headroom to cover the debt owed, and that future cash flow plans include repayment of the debt.

ii. **Assessment of Parent:** Assess the work performed by the Group audit team, and considering the results of that work, on those net assets. This will include assessment of the fair value headroom available on those net assets, and therefore the ability of the parents to fund repayment of the receivable. We will critically assess the directors' going concern assessment, including the reasonableness of the key assumptions used by the parents in their cash flow forecasts and the level of downside sensitivities applied using our knowledge of COVID-19 scenarios being applied by other entities.

Our findings

No issues have been found to date but our substantive work is still ongoing and subject to review.

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Appendix one

Required communications with the Audit Committee

Type		Response
Our draft management representation letter		We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2022.
Adjusted audit differences		There were one adjusted audit differences with a total comprehensive income impact of £661k. See page 27.
Unadjusted audit differences		The aggregated profit impact of unadjusted audit differences would be £nil. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate.
Related parties		There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee		There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies		We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts		No actual or suspected fraud involving management, employees with significant roles in group-wide internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit.

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Appendix one

Required communications with the Audit Committee

Type		Response
Significant difficulties		No significant difficulties were encountered during the audit.
Modifications to auditor's report		None.
Disagreements with management or scope limitations		The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information		No material inconsistencies were identified related to other information in the annual report, Strategic and Directors' reports. The Strategic report is fair, balanced and comprehensive, and complies with the law.
Breaches of independence		No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices		Over the course of our audit, we have evaluated the appropriateness of the Group's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management		All significant matters arising from the audit were discussed, or subject to correspondence, with management.

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Appendix two

Additional report relating to UK public interest entities

Type		Response
Our declaration of independence		No matters to report. The engagement team and others in the firm, have complied with relevant ethical requirements regarding independence.
Key audit partner(s)		We have identified each key audit partner at page 2 in our Audit Plan and Strategy report dated 08/02/2022.
Independence of external experts engaged by KPMG and non-KPMG auditors		We have not engaged external experts.
Communications with Audit Committee and management		We have described the nature, frequency and extent of communication with the Audit Committee and management at page 23 in our Audit Plan and Strategy report dated 08/02/2022.
Scope and timing of the audit		We have described the scope and timing of the audit at page 23 in our Audit Plan and Strategy report dated 08/02/2022.
Audit methodology		Our audit methodology is described throughout this report.
Going concern assessment		There are no significant matters affecting the entity's ability to continue as a going concern found to date. Our work on this area is ongoing
Requested explanations and documents		No matters to report. All requested explanations and documents were provided by management.
Our declaration of independence		No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.

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Appendix two

Additional report relating to UK public interest entities

Type		Response
Materiality		Quantitative materiality applied to the audit of the financial statements as a whole and materiality for balances/disclosures affected by qualitative factors is set out at page 5 in our Audit Plan and Strategy report dated 08/02/2022.
Non-compliance with laws and regulation or articles of association		No actual or suspected non-compliance with laws and regulation or articles of association were identified during the audit.
Significant deficiencies in internal control		There are no significant deficiencies to report.
Significant difficulties		No significant difficulties were encountered during the audit. There are no significant matters arising from the audit were discussed, or subject to correspondence, with management. In our professional judgment, no matters arose from the audit that were significant to the oversight of the financial reporting process.
Management's approach to consolidation		We report on management's approach to consolidation. It is consistent with FRS 102. The consolidated financial statements include all material subsidiaries.

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Appendix three

Recommendations raised and followed up

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations					
❶	**Priority one**: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	❷	**Priority two**: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	❸	**Priority three**: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response
Financial Statements			
1	❷	**Rent Reconciliations** During our controls test work management disclosed to the audit team that no rent reconciliations were completed between week 21 and week 51 for EMH Housing and Regeneration ltd. We did however note that the week 52 reconciliation had been completed and all differences were investigated and resolved. **Recommendation** We recommend that management complete the rental reconciliations on a weekly basis for 2022/23 and ensure there is adequate oversight of this process to ensure any issues with completion are identified and resolved on a timely basis.	This matter was recognised at year end and fully disclosed at the time. The process is in place for the reconciliation to be completed each week however due to internal issues this did not happen in year. The year end reconciliation was produced and all necessary adjustments made. Going forward this process will be carried out on a weekly basis and regular checks will take place by management to ensure that this is happening.
2	❸	**Leavers access to OpenAccounts** KPMG identified 19 leavers with active accounts in the OpenAccounts system. We performed additional tests to check if any of the leavers logged on into the OpenAccounts system after their termination date and noted that none of the 19 leavers leavers had logged in after their termination date We **recommend** that management remove leaver's access to open accounts on their termination date	TBC

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Appendix three

Recommendations raised and followed up (cont.)

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
IT Controls			
3	3	**IT Access Controls** KPMG noted that there were no proper controls in place on the access modification of users. For the two modified users identified in the audit period, there were no formal process in place for their identification and approvals. **Recommendation** We recommend that management implement the controls described above	TBC

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Appendix four

Audit Differences

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit [and Risk] Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Adjusted audit differences (£'000s)				
No.	**Detail**	**SOCI Dr/(cr)**	**SOFP Dr/(cr) (£'000)**	**Comments**
1	Dr Remeasurement of Local Government Pension Scheme Cr Leicestershire County Council LGPS Net asset at 31 March 2022	£661	(£661)	We have reported an adjusted audit misstatement on the LCC LGPS net asset position. It is generally expected that the employer would not have the right to a refund and therefore it is hard to demonstrate that the asset is recoverability. Management have agreed to cap to net asset to 0 and adjust for this in the accounts.
Total		£661	(£661)	

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Appendix five

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of the EMH Group (the 'Group').

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

— General procedures to safeguard independence and objectivity;

— Independence and objectivity considerations relating to the provision of non-audit services; and

— Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

— Instilling professional values

— Communications

— Internal accountability

— Risk management

— Independent reviews.

The conclusion of the audit engagement partner as to our compliance with the FRC Ethical Standard in relation to this audit engagement is subject to review by an engagement quality control reviewer, who is a director not otherwise involved in your affairs.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out in the following table

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Appendix five

Confirmation of Independence

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2021/22 (to date)	2020/21
	£'000	£'000
Total Audit service incl. Service charge statements	113.35	110
Total audit	**113.35**	**110**
Strategic partnership grant	10	10
Total non-audit services	**10**	**10**
Total Fees	**123.35**	**120**

Fee ratio

The anticipated ratio of non-audit fees to audit fees for the year at the time of planning is 0.1 : 1.

We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

Application of the FRC Ethical Standard 2019

We communicated to you previously the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Compliance Committee and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

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Appendix Six

FRC's areas of focus

The areas of focus from the FRC's Annual Review of Corporate Reporting 2020/21, annual letter to CEOs, CFOs and audit committee chairs along with the five thematic reviews issued in 2021 should be considered for reporting in the current financial period. The reports identify where the FRC believes organisations should be improving their reporting. Below is a high level summary of the key topics. We encourage management and those charged with governance to read further on those areas which are significant to the Registered Provider.

Judgements and Estimates	In the current climate it is particularly important for entities to provide as much context as possible for the assumptions and predictions underlying the amounts recognised in the financial statements, including potential sensitivities or ranges of possible outcomes. Trusts should disclose the carrying amounts impacted by estimation uncertainty. Disclosures of key assumptions and sensitivities could be improved. Preparers are encouraged to clearly distinguish between sources of estimation uncertainty with a significant risk of a material adjustment in the following year and other, perhaps longer-term, uncertainties. Significant accounting judgements should be clearly explained along with factors considered.
Revenue	Having raised a considerable number of queries in relation to revenue recognition policies and related disclosure, the FRC strongly encourage preparers to read their thematic report which includes tips and examples of good and inadequate disclosure. Entities should disclose significant judgements made in accounting for revenue. This could include judgements in relation to performance obligations, transaction price and amounts allocated to performance obligations. Disclosures should clearly identify the methods used to estimate any variable consideration.
Statement of Cash Flows	Organisations need robust reviews of the cash flow statement to ensure consistency with other parts of the annual report and to ensure preparation in line with the accounting standard. Errors continue to be identified, including inappropriate classification of cash flows and inappropriate netting. The FRC also challenges organisations on the composition of cash equivalents and on incomplete or incorrect related disclosures. Organisations are reminded that even in the limited cases where borrowings can be included as a component of cash and cash equivalents in the cash flow statement, the IAS 32 'Financial Instruments: Presentation' criteria need to be applied to determine whether they can be presented on a net basis in the balance sheet.
Alternative Performance Measures (APMs)	APMs should not be given undue-prominence. Preparers should avoid statements appearing to provide APMs with more authority than IFRS measures and are reminded that meaningful commentary on the IFRS figures is required. APMs, including ratios, should be appropriately labelled and reconciled to the most directly reconcilable financial statement line item. It should be clear how reconciling items are determined and companies should explain clearly why amounts are excluded from adjusted measures. Adjusting items should include gains as well as losses, where relevant.

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Appendix Six

FRC's areas of focus

Strategic Report	The annual report should provide a fair, balanced and comprehensive analysis of the development and performance of the business in the financial year and of its position at the end of the year. In particular companies are encouraged to include discussion of relevant significant matters and performance against key strategic objectives.
Provisions and contingencies	Provisions and contingencies should be clearly explained including the nature of the exposure, the timeframe and the basis for determining the amount. Any significant judgements and relevant assumptions should be disclosed clearly. There should be consistency between information provided in the annual report and accounts. If material provisions are dependent on the future performance of a business expected to be heavily impacted by climate change, this should be disclosed and detail provided on how climate change had been taken into account in the estimate.
Leases	Lessees and lessors are required to disclose information that gives a basis for users to assess the effect of leases on financial position, financial performance and cash flows. This could include information about variable payment features, for example. Judgements should be disclosed. Entity-specific accounting policies should be disclosed for material transactions.
2021/22 priorities for FRC review: - **Impact of COVID-19**	In addition to the topics summarised above, the FRC have indicated that routine monitoring for the 2021/22 cycle will include a focus on: - judgement and uncertainty in the face of continuing economic and social impact of Covid-19; and - climate-related risks and new disclosures. Disclosure on judgements and assumptions about the future will remain important to users of reports, particularly when considering matters such as going concern and liquidity. Therefore as part of their routine 2021/22 routines, the FRC will continue to consider whether entities: - Explain the significant judgements and estimates made; - Provide meaningful sensitivity analysis or details of a range of possible outcomes; - Describe any significant judgements made in determining whether there is a material uncertainty about their ability to continue as a going concern; and - Ensure that assumptions used in the going concern assessment are compatible with those used elsewhere.

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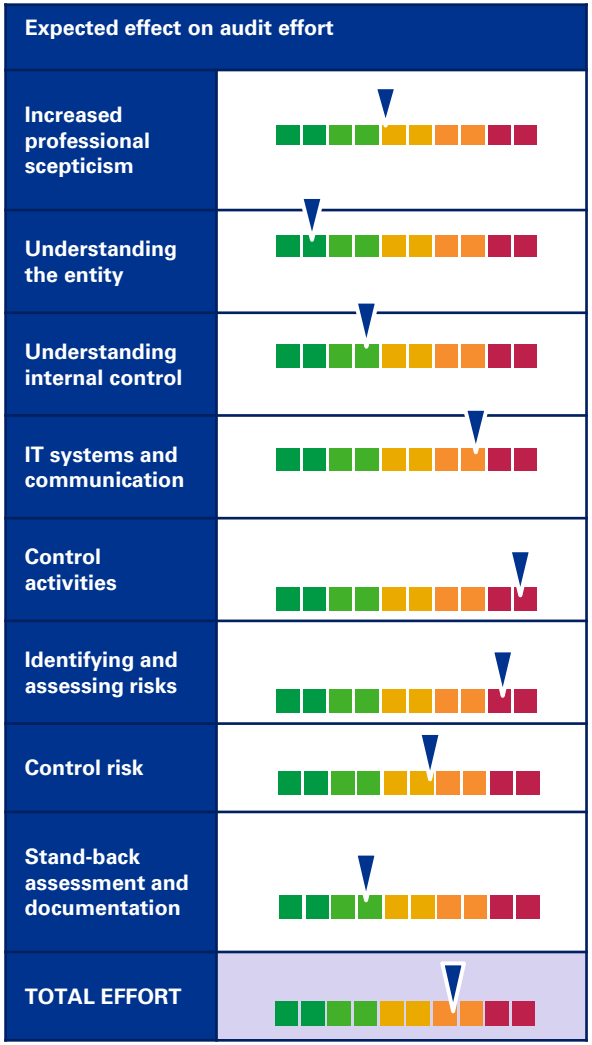
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Appendix Seven

ISA (UK) 315 Revised: Overview





Summary

ISA (UK) 315 *Identifying and assessing the risks of material misstatement* incorporates significant changes from the previous version of the ISA. These have been introduced to achieve a more rigorous risk identification and assessment process and thereby promote more specificity in the response to the identified risks. The revised ISA is effective for the 2022-23 financial year onwards.

The revised standard expands on concepts in the existing standards but also introduces new risk assessment process requirements – the changes will have a significant impact on our audit methodology and therefore audit approach.

Why have these revisions been made?

With the changes in the environment, including financial reporting frameworks becoming more complex, technology being used to a greater extent and entities (and their governance structures) becoming more complicated, standard setters recognised that audits need to have a more robust and comprehensive risk identification and assessment mechanism.

The changes are aimed at (i) promoting consistency in effective risk identification and assessment, (ii) modernising the standard by increasing the focus on IT, (iii) enhancing the standard's scalability through a principle based approach, and (iv) focusing auditor attention on exercising professional scepticism throughout risk assessment procedures.

What does this mean for an audit?

To meet the requirements of the new standard, auditors will be required to spend an increased amount of time across the risk assessment process, including more detailed consideration of the IT environment. We expect these changes to result in significantly increased audit effort levels which will, in turn, affect auditor remuneration. This additional effort is a combination of time necessary to perform the enhanced risk assessment procedures and the anticipated need to involve more technical specialists (particularly IT Audit professionals) in our audits.

Given the level of changes to the standard, debate remains ongoing about the extent of impact on application of some paragraphs. Global regulators have committed to providing further clarification in this area in advance of adoption, and there may therefore be some later updates to our initial assessment of relative impact.

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Appendix Seven

ISA (UK) 315 Revised: Summary of key changes



Area	Impact on audit effort	Summary of changes and impact
Increased professional scepticism		Increased focus on applying professional scepticism – particularly the need for auditors not to bias their approach towards obtaining evidence that is corroborative in nature or excluding contradictory evidence, which requires more independent evidence to be sought. In all cases, there will be enhanced documentation requirements in this area.
Understanding internal control		The previous standard included requirements for understanding components of the entity's system of internal control. The revisions add another step by requiring auditors perform evaluation procedures over these. This may require additional effort to evaluate the entity's processes over risk assessment and monitoring activities over internal control systems to assess their appropriateness to the entity's size and complexity.
IT systems and communication		The requirements introduce an increased focus on understanding the entity's own management of IT. This may entail performing additional risk assessment procedures and taking a broader view across the IT environment, considering more systems and systems in greater depth, than previously. Given the complexity and specialist knowledge required to perform these procedures, increased use of technical IT Audit specialists will be a natural consequence of this revision.
Control activities		The revised standard enhances the way we identify IT applications and aspects of the IT environment that are subject to assessed risks arising from IT. This may result in significant expansion of risk assessment procedures to obtain and evaluate the necessary information. Further, the standard adds new requirements in control testing activities to mandate evaluation of general IT controls that address risks arising from IT associated with significant risks and certain journal entries. For these controls, the auditor is required to evaluate the design and implementation of the individual controls. This could result in a significant change in approach, with more emphasis and effort spent on evaluating control activities. Again, we anticipate integrating more specialised expertise into our audit team to meet the revised requirements.
Identifying and assessing risks		The changes require more detailed assessment of risks at both the financial statement and assertion levels for classes of transactions, account balances and disclosures than previously. Further, the revisions introduce an inherent risk spectrum and new inherent risk assessment factors, each of which the auditor evaluates to assess the level of risk and thereby shape the audit response. This will increase the audit effort needed to evaluate and document the risks of material misstatement.
Control risk		New requirement to assess inherent risk and control risk separately for each risk of material misstatement identified where the auditor plans to test the operating effectiveness of controls. The separation of assessments will require individual attention, increased documentation and is likely to affect sample sizes for substantive procedures.
Stand-back assessment		New requirement to perform a stand-back assessment for material classes of transactions, account balances or disclosures which have not been identified as significant, to assess whether this determination remains appropriate in the context of the overall audit. This will require increased consideration of aggregation risk and introduce additional documentation requirements.

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Appendix Eight

ISA (UK) 240 Revised: Summary of key changes



Summary and background

ISA (UK) 240 *The auditor's responsibilities relating to fraud in an audit of financial statements* includes revisions introduced to clarify the auditor's obligations with respect to fraud and enhance the quality of audit work performed in this area. The revised ISA (UK) is effective for periods commencing on or after 15 December 2021. Unlike ISA (UK) 315 which mirrors updates in the international ISA, the updated UK fraud standard is not based on international changes by the IAASB.

The impact of the revisions to ISA (UK) 240 is less extensive compared to ISA (UK) 315, but will nevertheless result in changes to our audit approach. The table below summarises the main changes and our initial assessment of their impact.

Area	Summary of changes and impact	Effect on audit effort
Risk assessment procedures and related activities	[1] Increased focus on applying professional scepticism – the key areas affected are: • the need for auditors not to bias their approach towards obtaining evidence that is corroborative in nature or excluding contradictory evidence, • remaining alert for indications of inauthenticity in documents and records, and • investigating inconsistent or implausible responses to inquiries performed. [2] Requirements to perform inquiries with individuals at the entity are expanded to include, amongst others, those who deal with allegations of fraud. [3] Every audit now requires a specific determination as to whether to involve technical specialists (including forensics) to aid in identifying and responding to risks of material misstatement due to fraud. This will result in increased involvement of specialists and an expanded scope of work for these specialists, on audit engagements.	
Internal discussions and challenge	Enhanced requirements for internal discussions among the audit team to identify and assess the risk of fraud in the audit, including a requirement to determine the need for additional meetings to consider the findings from earlier stages of the audit and their impact on our assessment of the risk of fraud.	
Communications with management / TCWG	New requirements for communicating matters related to fraud with management and those charged with governance, in addition to the reporting in our audit reports.	

What does this mean for an audit?

The changes introduce new requirements which will increase audit effort and therefore the audit fee. The additional work is largely the result of investing more time identifying and assessing the risk of fraud during risk assessment and involving specialists to aid with both risk identification and the auditor's response to risk.

KPMG

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EMH CARE AND SUPPORT LIMITED

England & Wales - Charity number 1001704

Accounts

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021





EMH CARE AND SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES

Jim Holden – Chair
Tim Brown
Vandna Gohil
Patricia McCabe
Margaret Coward

PRINCIPAL BANKER

National Westminster Bank Plc
5 Market Place
Chesterfield
S40 1TJ

AUDITOR

KPMG LLP
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley
Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2021.

Structure, Governance & Management

Background

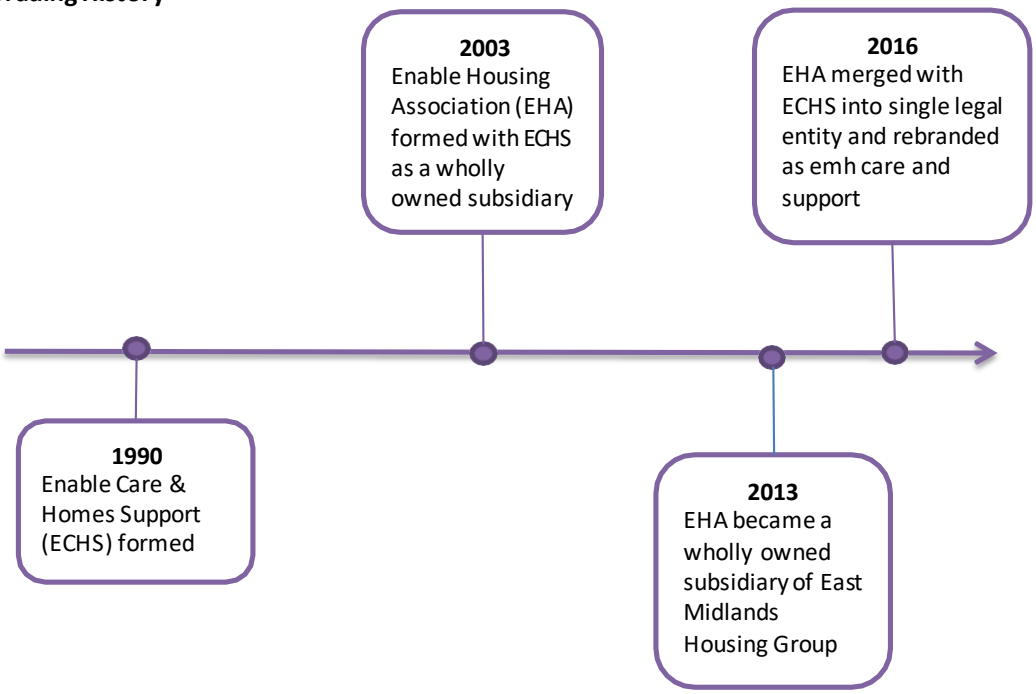
emh Care and Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The company was incorporated on 4th April 1990. Its principal activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

Structure, Governance & Management (continued)

Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Jim Holden	4/4
Tim Brown	4/4
Vandna Gohil	4/4
Patricia McCabe	4/4
Margaret Coward	4/4

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the company at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the company for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement

Customer engagement also plays a vital role in shaping the future of the organisation. We have previously offered a number of ways for our customers and their representatives to be involved in helping us achieve our mission including our Service User Forum.

Unfortunately due to the Covid-19 pandemic the Service User Forum has been unable to engage with others and feedback has been limited. This is a high priority for us and this group will be re-established once allowable to continue their valuable work.

Volunteers

emh care and support are engaged in supporting and delivering a range of volunteering opportunities. Working with members of the public, our paid staff, support people using our services or encourage school and college placements. We provide thousands of volunteer hours per year under normal circumstances however due to the current Covid-19 pandemic those we work with are closed to volunteers. Where possible we have continued to support initiatives and have worked to link service users to activities and information where possible.

Structure, Governance & Management (continued)

Volunteers (continued)

We have maintained links with the various providers of volunteering opportunities including; The National Trust, Brierley Forest Park, Activity Providers, Peak Rail, Matlock Farm Park, Ashfield Council, Staveley Town Council, NDVA, Rock Box, the Eco Centre, Staveley and Bakewell Town Councils, Brightside, Peak Park, Walking for Health, Notts FA and Active Derbyshire and hope to re-establish this commitment once restrictions allow. Staff continue to do as much as possible for our service users and communities especially in the current environment and have been busy delivering Covid secure support across our services including tele befriending during the lockdowns, and linking people up or providing accessible activities and information. They have also developed a digital inclusion project linking people up with devices, learning and support to link with people and activity on line.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2020: none).

Corporate Mission and Aims

The organisation strives to **"be the best social housing and care business in the country".** This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this is a number of ways: -

Supported Housing

We continue to manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

Charitable Activities (continued)

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 274 service users, providing around 12,900 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 moderately sized nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by our qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Day Services and Social Enterprise

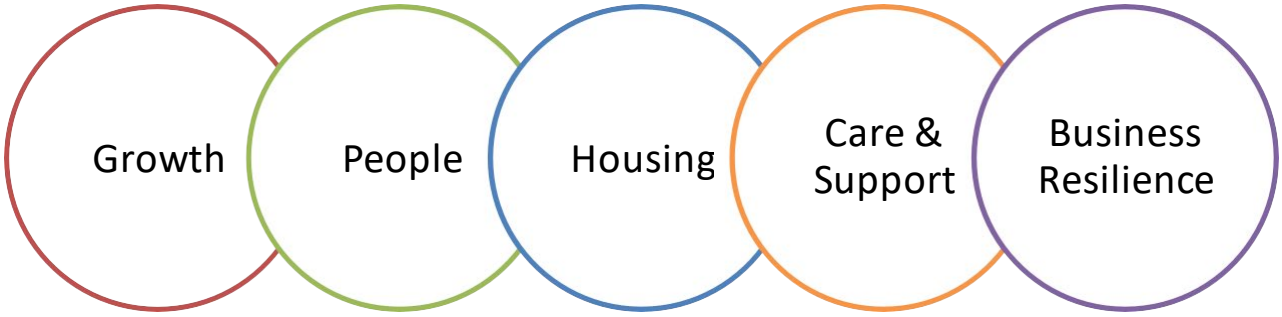


We manage 4 day centres supporting around 78 customers each week including our own residents and private customers. This number has halved in the current year due to Covid-19 restrictions which meant that we were unable to accept new referrals to our services, however we have continued to support as many existing customers as possible. Despite the challenges which faced us during the pandemic we have continued to support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners where possible we have strived to continue to provide support and opportunities to our service users. It is with regret that we were unable to facilitate the extensive community activities and volunteering that we have fulfilled in previous years. Due to the pandemic this was simply not possible however the safety of those we support and our staff has been paramount. We have been disciplined and consistent in our Covid-19 safe systems and service users and their families have remained supportive.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 250 units, some owned within the Group and some won on a tender basis.

Future Plans



The Group's latest Strategic Business Plan has been reviewed and updated. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.

Our Care and Support aim is to ***deliver a clear vision and strategy for our Care and Support arm that delivers "outstanding" services to the people that we support***. Our objectives to deliver this are: -

- ✓ We will expand our care and support services including:
  - Appraising existing services to determine which we are best placed to support going forward;
  - Expanding the range and geography of the services we provide;
  - Working with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will deliver outstanding care and support services as judged by our regulator and customers;
- ✓ We will actively seek opportunities to diversify our income streams;
- ✓ Actively promote career opportunities in social care to realise a fully recruited team of dedicated staff;

During the year we have continued to make significant progress against our objectives and are proud of our many achievements.

Developing our Services

As per the Care and Support Strategy we have continued to focus on our priorities and ambitions including plans to grow the business and explore innovative solutions to continually improve the care that we provide to our service users.

Working with Leicester City Council we have secured a contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples. This has the potential to be a five-year contract.

We have gained inclusion on to the Leicestershire County Council Supported Living Dynamic Purchasing System list which complements the frameworks we are already part of, including; Lincolnshire and Northamptonshire Frameworks for Community Supported Living; The Commissioning for a Good Life Framework for Specialist Learning Difficulty Services in Northamptonshire and Derbyshire Community Lives Directory which is a Derbyshire County Council framework for the provision of day services.

Future Plans (continued)

Developing our Services (continued)



The delivery of care to older people remains a strategically important part of our service offering and with the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution.

emh group continues to expand its portfolio of properties for older people and the 5th extra care scheme is due for completion in autumn 2021. The Springfield scheme in Ashby-de-la-Zouch comprises 50 units for affordable rent and 15 for shared ownership. By self-funding this development it has allowed us to ensure that all services are provided in house and to the highest standard.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -

Outstanding
The service is performing exceptionally well.

Good
The service is performing well and meeting our expectations.

Requires improvement
The service isn't performing as well as it should be and we have told the service how it must improve.

Inadequate
The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs
5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

Regulation (continued)

All of our registered services are now rated good by CQC with the exception of one of the Extra Care Services that has an overall rating of requires improvement.

In 2019-20, we registered three new Extra Care schemes in the Northamptonshire region with CQC. Two are not yet subject to a formal inspection, they are registered services and can be deemed as 'Good' as this is the minimum standard required in order for a service to pass registration with CQC.

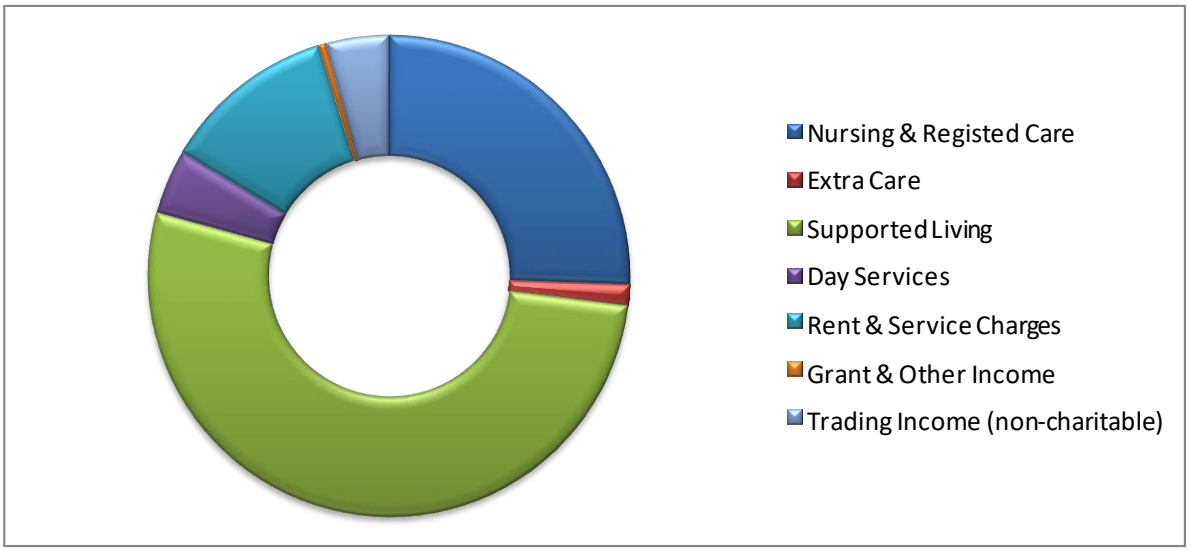
We are in the process of registering a new Extra Care service in Ashby de la Zouch, Leicestershire with CQC in readiness of the opening of this scheme in September 2021.

Financial Review & Reserves Policy

The company generated £18.7m of income during the year, an increase of £1.5m from the prior year. Additional support funding in relation to Covid-19 of £0.5m was received along with net disposal proceeds of £191k following the sale of Hill House. Increased needs of service users and requirements at our nursing homes has further increased the income in year.

96% of our income is generated through our charitable activities. This has reduced from 99% in previous years due to the £0.5m of income received in relation to Covid-19 support which is not deemed to be a charitable activity. As with previous years a small amount of income was generated from non-charitable activities including income from our social enterprise.

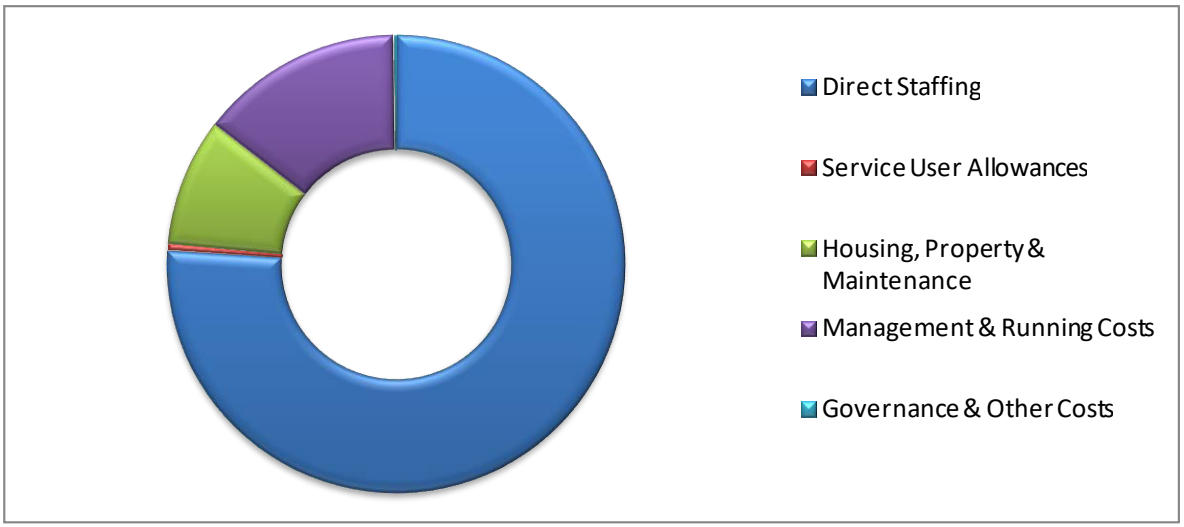
All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

Financial Review & Reserves Policy (continued)

Running costs and overheads of £17.1m were incurred in the year, £0.7m higher than in 2020. This includes significant additional costs in relation to the care provided during the Covid-19 pandemic. The chart below shows the main expenditure areas:



We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives. Our Statement of Financial Activities shows a surplus for the year of £1,064k (2020: £1,441k). This includes an increase in pension liabilities of £559k following the reassessment by the actuary.

Our surplus before pension adjustment was £1,623k (2020: £833k), whilst this shows the continued financial stability of the organisation. The additional income in relation to Covid-19 increased this surplus significantly above the previous year and is not reflective of an ongoing position. Balancing quality services with financial viability continues to be challenge for the organisation and our ultimate aim is for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

Overall the following amounts are proposed: -

	£000
Monthly working capital	4,250
Protection against loss of contracts	250
Inviable Service Delivery	250
Replacement Components	250
	5,000

Financial Review & Reserves Policy (continued)

At the end of the financial year the organisation had fixed assets of £9.7m (2020: £10m), net current assets of £8m (2020: £6.4m) and total funds of £16.0m (2020: £15m) indicating that the target has been achieved. Cash balances have increased by £1.1m over the year.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment is challenging and uncertain with the impacts of COVID19, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

As with many providers in our sector the current global pandemic has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We moved quickly to adapt our working practices despite the changing government advice and the low infection rates within our services is testament to this. We were able to access different income streams to support the increasing costs of continuing our valued services however continuation of this funding remains uncertain. As the pandemic continues the landscape is continually monitored and risks identified and mitigated where possible.

We have also remained engaged with ongoing case brought by UNISON for the sleep in pay. The final decision was delivered in March 2021 and deemed that social care staff are not entitled to the national minimum wage for every hour they work, including sleep-in shifts. We have continued to pay for these shifts as previously and ongoing arrangements will be reviewed with the county council.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of Disabled People

The company's policy is to give full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Disabled people receive appropriate training to promote their career development within the company. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

Grants and Donations

During the year the company made no charitable donations (2020: £nil).

The company has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by: -

Joanne Tilley (Sep 17, 2021 16:58 GMT+1)

JOANNE TILLEY
Secretary
7th September 2021

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for preparing the Trustees' 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. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

Jim holden

Jim holden (Sep 17, 2021 17:11 GMT+1)

Jim Holden
Chair
7th September 2021

Opinion
We have audited the financial statements of emh Care and Support Limited ("the charitable company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows, and related notes, including the accounting policies in note 2.

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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees and the Audit Committee as to the charitable company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee inutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants / regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that care related income is recorded in the wrong period and may be overstated.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.
- Sample testing of care and support income relating to the period prior to 31 March 2021 to determine whether income is recognised in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Charitable company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), distributable profits legislation, taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Charitable Company 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 or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation and Employment and Social Security Legislation, recognising the regulated nature of the Charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Other information
The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities
As explained more fully in their statement set out on page 13, 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 which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill,
Snow Hill Queensway
Birmingham
B4 6GH

24 September 2020

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 Unrestricted Funds £000	2021 Restricted Funds £000	2021 Total Funds £000	2020 Total Funds £000
Income from :					
Income from Charitable Activities	3	17,923	-	17,923	17,086
Other income	4	791	-	791	139
Total Incoming Resources		18,714	-	18,714	17,225
Resources Expended					
Expenditure on :					
Charitable activities:	3	17,034	20	17,054	16,324
Other Expenditure	5	37	-	37	68
Total Resources Expended		17,071	20	17,091	16,392
Remeasurement of Social Housing Pension Scheme	8	(559)	-	(559)	608
Net incoming resources before transfers		1,084	(20)	1,064	1,441
Net movement in funds		1,084	(20)	1,064	1,441
Funds brought forward at 1 April 2020		14,212	773	14,985	13,544
Funds carried forward at 31 March 2021		15,296	753	16,049	14,985

The results shown above are all derived from continuing activities.

EMH CARE AND SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Housing properties	11	7,931	7,905
Other fixed assets	11	1,808	2,086
		9,739	9,991
Current assets			
Trade and other debtors	13	2,481	2,563
Cash and cash equivalents		6,926	5,802
		9,407	8,365
Creditors: amounts falling due within one year	14	(1,415)	(2,001)
Net current assets		7,992	6,364
Total assets less current liabilities		17,731	16,355
Creditors: amounts falling due after more than one year	15	(723)	(919)
Provision for liabilities			
Other provisions	17	(174)	(107)
Pension liability	8	(785)	(344)
Net assets		16,049	14,985
Funds			
Unrestricted	18	15,296	14,212
Restricted	19	753	773
		16,049	14,985

These financial statements were approved by the Board on 7 September 2021 and were signed on its behalf by:

Jim holden

Jim holden (Sep 17, 2021 17:11 GMT+1)

Jim
Holden
Chair

Joanne Tilley (Sep 17, 2021 16:58 GMT+1)

Joanne
Tilley
Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Net cash inflow/(outflow) from operating activities	24	918	(182)
Cash Flows from Investing Activities			
Interest received		3	17
Purchase of tangible assets		(235)	(837)
Receipts from sale of assets		433	(32)
Cash provided by (used by) Investing Activities		201	(852)
Cash Flows from Financing Activities			
Interest received/(paid)		5	6
Cash provided (used by)/by Financing Activities		5	6
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		1,124	(1,028)
Cash and Cash equivalents at 1 April		5,802	6,830
Cash and Cash equivalents at 31 March		6,926	5,802

	At 1 April 2020 £000	Cash Flows £000	At 31 March 2021 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	5,802	1,124	6,926
Total Cash and Cash equivalents	5,802	1,124	6,926

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2021, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and
Related Parties note.

Going Concern
The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2021 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. Following the outbreak of Covid-19 the Charity has undertaken a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The board, after reviewing the charity budgets for 2021/22 and the charity's medium term financial position as detailed in the 30-year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

2 Principal Accounting Policies (continued)

Going Concern (continued)
- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;

- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;

- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources
All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended
Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2 Principal Accounting Policies (continued)

Housing properties
Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Non component works to existing properties
The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Other tangible fixed assets
Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant
Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets
Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial assets is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets
The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the Charity. For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Pensions Trust Social Housing Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2 Principal Accounting Policies (continued)

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds
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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out above in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and Provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments
The trust only has financial assets and financial 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.

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors
The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values
Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolesce

No triggers for impairment have been identified.

Defined benefit pensions liabilities
The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

	2021 £000	2020 £000
3 Charitable Activities		
Income from Charitable Activities		
Registered care funding	5,047	4,996
Supported living & day care contracts	10,596	9,589
Rental income & service charges	2,186	2,421
Amortised government grant	13	14
Other Charitable Income	81	66
Total Income from Charitable Activities	17,923	17,086
Expenditure on Charitable Activities		
Care staff costs, including training	12,970	12,127
Service user allowances	78	75
Housing costs	934	859
Maintenance costs	369	542
Salaries & management costs	2,148	2,043
Registration fees	12	10
Grants, donations and promotions	-	1
Professional fees	56	101
Depreciation and impairment	226	286
Bad Debts	40	(26)
Other costs	201	295
Total Expenditure on Charitable Activities	17,034	16,313
Restricted Funds		
Depreciation and impairment	12	11
Write offs	8	-
	20	11
4 Other Income		
Fixed asset disposal proceeds	252	7
Fixed asset grant abated	181	-
Fixed asset cost of disposals	(242)	(5)
Gain on disposal of fixed assets	191	2
Interest Received	3	17
Mobility Scheme	-	25
Other Income	597	95
Total Other Income	791	139

	2021 £000	2020 £000
5 Other Expenditure		
Interest Payable	7	22
Mobility Scheme	-	15
Governance;		
Professional Fees	30	31
	30	31
Total Other Expenditure	37	68

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:		
Depreciation & amortisation	245	298
Auditors remuneration	30	30

7 Staff numbers and costs

The average number of persons employed by the company (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2021 Number	2020 Number
Care and support staff	375	358
Office Staff	56	55
Trustees	5	5
	436	418

	2021 £000	2020 £000
Staff costs for the above persons:		
Wages and salaries	11,413	9,902
Social security costs	941	821
Pension costs	584	533
Termination Benefits	24	56
	12,962	11,312

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

8 Employee Benefits

The company operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2021

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2020	344	4
Loss/(profit)in the period charged to the profit & loss account	12	(1)
Loss in the period charged to other comprehensive income	559	-
Deficit contribution paid	(130)	-
Net liability at 31 March 2021	785	3

The Pensions Trust - Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	2021 £'000	2020 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	4,148	3,720
Present value of defined benefit obligation	(4,933)	(4,064)
Defined benefit (liability)/asset to be recognised	(785)	(344)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	4,064	4,697
Expenses	5	5
Interest expense	96	107
Actuarial losses/(gains) due to scheme experience	(21)	(100)
Actuarial losses/(gains) due to changes in demographic assumptions	18	(42)
Actuarial losses/(gains) due to changes in financial assumptions	885	(491)
Benefits paid and expenses	(114)	(112)
Defined benefit obligation at end of period	4,933	4,064
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	3,720	3,645
Interest income	89	84
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	323	(25)
Contributions by the employer	130	128
Benefits paid and expenses	(114)	(112)
Fair value of plan assets at end of period	4,148	3,720

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £412,000.

Defined benefit costs recognised in statement of comprehensive income (SOCI)		
Expenses	5	5
Net interest expense	7	23
Defined benefit costs recognised in statement of comprehensive income (SoCI)	12	28

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2021 £'000	2020 £'000
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	323	(25)
Experience gains and losses arising on the plan liabilities - (loss)/gain	21	100
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(18)	42
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(885)	491
Total amount recognised in other comprehensive income - (loss)/gain	(559)	608

Assets		
Global Equity	661	544
Absolute Return	229	194
Distressed Opportunities	120	72
Credit Relative Value	131	102
Alternative Risk Premia	156	260
Fund of Hedge Funds	-	2
Emerging Markets Debt	167	113
Risk Sharing	151	126
Insurance-Linked Securities	100	114
Property	86	82
Infrastructure	277	277
Private Debt	99	75
Opportunistic Illiquid Credit	105	90
High Yield	124	-
Opportunistic Credit	114	-
Corporate Bond Fund	245	212
Liquid Credit	50	2
Long Lease Property	81	64
Secured Income	173	141
Liability Driven Investment	1,054	1,234
Net Current Assets	25	16
Total assets	4,148	3,720

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2021 % per annum	2020 % per annum
Discount Rate	2.14	2.39
Inflation (RPI)	3.30	2.65
Inflation (CPI)	2.85	1.65
Salary Growth	3.85	2.65
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

The Pensions Trust - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11.243m per annum (payable monthly and increasing by 3.0% each year on 1 April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12.945m per annum (payable monthly and increasing by 3.0% each year on 1 April)
From 1 April 2016 to 30 September 2028:	£50.560k per annum (payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2021 £000	2020 £000
Present Value of provision		
Present value of provision at period end	3	4
Reconciliation of opening and closing provisions		
Provision at start of period	4	5
Deficit contribution paid	(1)	(1)
Provision at the end of period	3	4

	2021 £000	2020 £000
8 Employee Benefits (continued)		
The Pensions Trust - The Growth Plan (continued)		
Assumptions		
Rate of discount per annum	0.66%	2.53%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration		
Fees payable to the company's auditor for the audit of the annual accounts	30	30

10 Taxation

The company is a registered charity and has no trading activities liable to taxation

11 Fixed Assets

Housing Assets	Assets in the Course of Construction £000	Housing properties for letting £000	Care and support properties £000	Total £000
Cost				
1 April 2020	5	6,202	4,731	10,938
Replacement of Components	42	123	18	183
Disposals	-	(22)	(45)	(67)
31 March 2021	47	6,303	4,704	11,054
Accumulated depreciation				
1 April 2020	-	1,414	1,302	2,716
Charge for year	-	93	64	157
Disposals	-	(22)	(45)	(67)
31 March 2021	-	1,485	1,321	2,806
Impairment				
1 April 2020	-	-	317	317
31 March 2021	-	-	317	317
Net book value				
31 March 2021	47	4,818	3,066	7,931
31 March 2020	5	4,788	3,112	7,905

Other Fixed Assets	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2020	1,222	849	478	201	2,750
Additions	-	-	52	-	52
Disposals	(292)	-	-	(28)	(320)
31 March 2021	930	849	530	173	2,482
Accumulated depreciation					
1 April 2020	337	-	189	138	664
Charge for year	17	17	37	17	88
Disposals	(50)	-	-	(28)	(78)
31 March 2021	304	17	226	127	674
Net book value					
31 March 2021	626	832	304	46	1,808
31 March 2020	885	849	289	63	2,086

	2021 £000	2020 £000
12 Impairment of Housing Assets		

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors

Current tenant arrears	86	94
Less provision for bad and doubtful debts	(56)	(47)
Former tenant arrears	2	4
Less provision for bad and doubtful debts	(2)	(4)
Trade debtors	1,790	1,900
Less provision for trade debtors	(28)	(13)
Prepayments and accrued income	624	488
Other debtors	5	8
Amounts due from Group Companies	60	133
	2,481	2,563

14 Creditors: amounts falling due within one year

Trade creditors	265	459
Rent received in advance	36	33
Accruals and deferred income	1,041	1,161
Taxation and social security	-	216
Other creditors	26	25
Pension deficit contributions	1	1
Amounts due to Group Companies	46	106
	1,415	2,001

	2021 £000	2020 £000
15 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 16)	721	916
Pension deficit contributions	2	3
	723	919

16 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2020	916	916
Released to income in the year	(14)	(14)
Disposed in the year	(181)	(181)
At 31 March 2021	721	721

17 Provision for Liabilities

	Opening balance as at 1 April 2020	Additional Commitments made during the year	Provisions reversed during the year	Closing balance as at 31 March 2021
Leave Pay	107	67	-	174
	107	67	-	174

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

18 Unrestricted Funds

	Balance at 1 April 2020 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2021 £000
Retained Surpluses	14,212	1,084	-	15,296
	14,212	1,084	-	15,296

19 Restricted Funds	Balance at 1 April 2020 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2021 £000
Property fund - NHS	670	-	(17)	653
SEIF Capital Grant	103	-	(3)	100
	773	-	(20)	753

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	753	-	753
Unrestricted Funds	8,986	6,310	15,296
	9,739	6,310	16,049

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2021 £000	2020 £000

22 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:		
EMH Housing & Regeneration Ltd	408	291

Sales to EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	863	920
EMH Housing & Regeneration Ltd	38	38

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors		
East Midlands Housing Group Limited	-	12
EMH Housing & Regeneration Ltd	60	121
Creditors		
East Midlands Housing Group Limited	13	76
EMH Housing & Regeneration Ltd	33	30

23 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

24 Notes to the Cash Flow Statement	2021 £000	2020 £000
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income for reporting period (as per the statement of financial activities)	1,064	1,441
Adjustments for :		
Depreciation charges	245	298
(Gain) on disposal of assets	(191)	(2)
Interest Receivable	(3)	(17)
Interest Payable	7	22
Deferred government grants	(14)	(13)
Pensions costs less contributions payable	428	(737)
Grant abated	(181)	-
Decrease/(increase) in debtors	82	(904)
(Decrease)/increase in creditors	(586)	49
Increase/(decrease) in provisions	67	(319)
Net cash inflow/(outflow) from operating activities	918	(182)

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021





EMH CARE AND SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES

Jim Holden – Chair
Tim Brown
Vandna Gohil
Patricia McCabe
Margaret Coward

PRINCIPAL BANKER

National Westminster Bank Plc
5 Market Place
Chesterfield
S40 1TJ

AUDITOR

KPMG LLP
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley
Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2021.

Structure, Governance & Management

Background

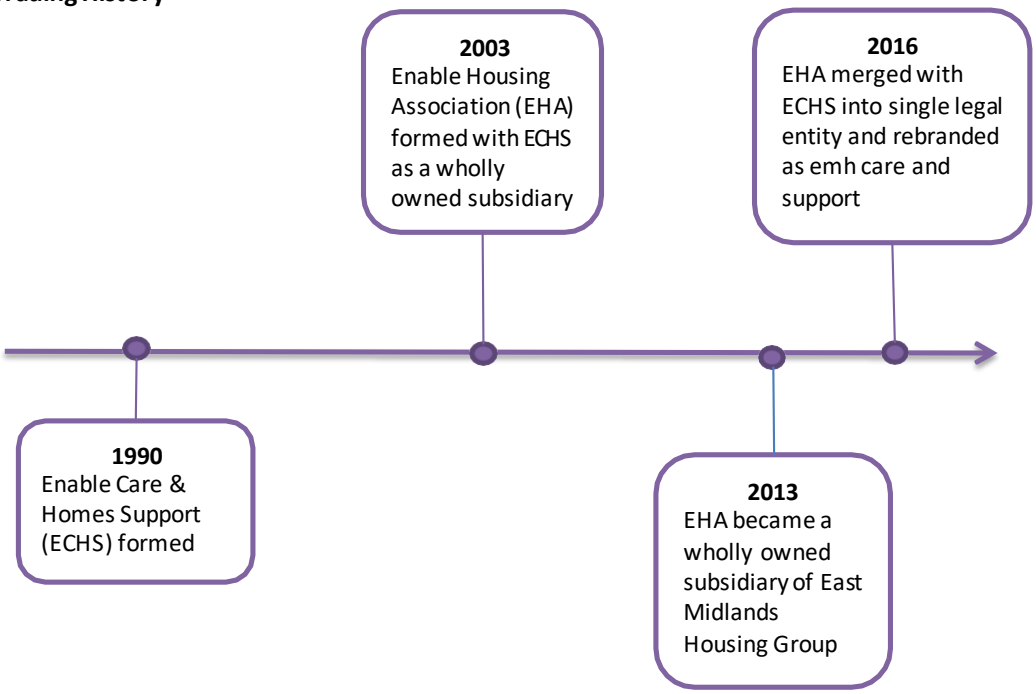
emh Care and Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The company was incorporated on 4th April 1990. Its principal activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons;

- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;

- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

Structure, Governance & Management (continued)

Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Jim Holden	4/4
Tim Brown	4/4
Vandna Gohil	4/4
Patricia McCabe	4/4
Margaret Coward	4/4

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the company at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the company for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement

Customer engagement also plays a vital role in shaping the future of the organisation. We have previously offered a number of ways for our customers and their representatives to be involved in helping us achieve our mission including our Service User Forum.

Unfortunately due to the Covid-19 pandemic the Service User Forum has been unable to engage with others and feedback has been limited. This is a high priority for us and this group will be re-established once allowable to continue their valuable work.

Volunteers

emh care and support are engaged in supporting and delivering a range of volunteering opportunities. Working with members of the public, our paid staff, support people using our services or encourage school and college placements. We provide thousands of volunteer hours per year under normal circumstances however due to the current Covid-19 pandemic those we work with are closed to volunteers. Where possible we have continued to support initiatives and have worked to link service users to activities and information where possible.

Structure, Governance & Management (continued)

Volunteers (continued)

We have maintained links with the various providers of volunteering opportunities including; The National Trust, Brierley Forest Park, Activity Providers, Peak Rail, Matlock Farm Park, Ashfield Council, Staveley Town Council, NDVA, Rock Box, the Eco Centre, Staveley and Bakewell Town Councils, Brightside, Peak Park, Walking for Health, Notts FA and Active Derbyshire and hope to re-establish this commitment once restrictions allow. Staff continue to do as much as possible for our service users and communities especially in the current environment and have been busy delivering Covid secure support across our services including tele befriending during the lockdowns, and linking people up or providing accessible activities and information. They have also developed a digital inclusion project linking people up with devices, learning and support to link with people and activity on line.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2020: none).

Corporate Mission and Aims

The organisation strives to **"be the best social housing and care business in the country".** This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this is a number of ways: -

Supported Housing

We continue to manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

Charitable Activities (continued)

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 274 service users, providing around 12,900 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 moderately sized nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by our qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Day Services and Social Enterprise

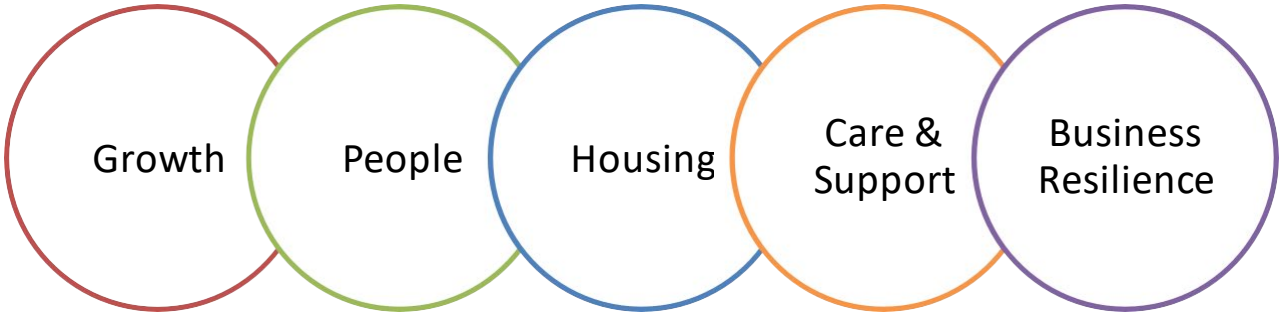


We manage 4 day centres supporting around 78 customers each week including our own residents and private customers. This number has halved in the current year due to Covid-19 restrictions which meant that we were unable to accept new referrals to our services, however we have continued to support as many existing customers as possible. Despite the challenges which faced us during the pandemic we have continued to support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners where possible we have strived to continue to provide support and opportunities to our service users. It is with regret that we were unable to facilitate the extensive community activities and volunteering that we have fulfilled in previous years. Due to the pandemic this was simply not possible however the safety of those we support and our staff has been paramount. We have been disciplined and consistent in our Covid-19 safe systems and service users and their families have remained supportive.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 250 units, some owned within the Group and some won on a tender basis.

Future Plans



The Group's latest Strategic Business Plan has been reviewed and updated. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.

Our Care and Support aim is to ***deliver a clear vision and strategy for our Care and Support arm that delivers "outstanding" services to the people that we support***. Our objectives to deliver this are: -

- ✓ We will expand our care and support services including:
  - Appraising existing services to determine which we are best placed to support going forward;
  - Expanding the range and geography of the services we provide;
  - Working with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will deliver outstanding care and support services as judged by our regulator and customers;
- ✓ We will actively seek opportunities to diversify our income streams;
- ✓ Actively promote career opportunities in social care to realise a fully recruited team of dedicated staff;

During the year we have continued to make significant progress against our objectives and are proud of our many achievements.

Developing our Services

As per the Care and Support Strategy we have continued to focus on our priorities and ambitions including plans to grow the business and explore innovative solutions to continually improve the care that we provide to our service users.

Working with Leicester City Council we have secured a contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples. This has the potential to be a five-year contract.

We have gained inclusion on to the Leicestershire County Council Supported Living Dynamic Purchasing System list which complements the frameworks we are already part of, including; Lincolnshire and Northamptonshire Frameworks for Community Supported Living; The Commissioning for a Good Life Framework for Specialist Learning Difficulty Services in Northamptonshire and Derbyshire Community Lives Directory which is a Derbyshire County Council framework for the provision of day services.

Future Plans (continued)

Developing our Services (continued)



The delivery of care to older people remains a strategically important part of our service offering and with the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution.

emh group continues to expand its portfolio of properties for older people and the 5th extra care scheme is due for completion in autumn 2021. The Springfield scheme in Ashby-de-la-Zouch comprises 50 units for affordable rent and 15 for shared ownership. By self-funding this development it has allowed us to ensure that all services are provided in house and to the highest standard.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -

Outstanding
The service is performing exceptionally well.

Good
The service is performing well and meeting our expectations.

Requires improvement
The service isn't performing as well as it should be and we have told the service how it must improve.

Inadequate
The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs
5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

Regulation (continued)

All of our registered services are now rated good by CQC with the exception of one of the Extra Care Services that has an overall rating of requires improvement.

In 2019-20, we registered three new Extra Care schemes in the Northamptonshire region with CQC. Two are not yet subject to a formal inspection, they are registered services and can be deemed as 'Good' as this is the minimum standard required in order for a service to pass registration with CQC.

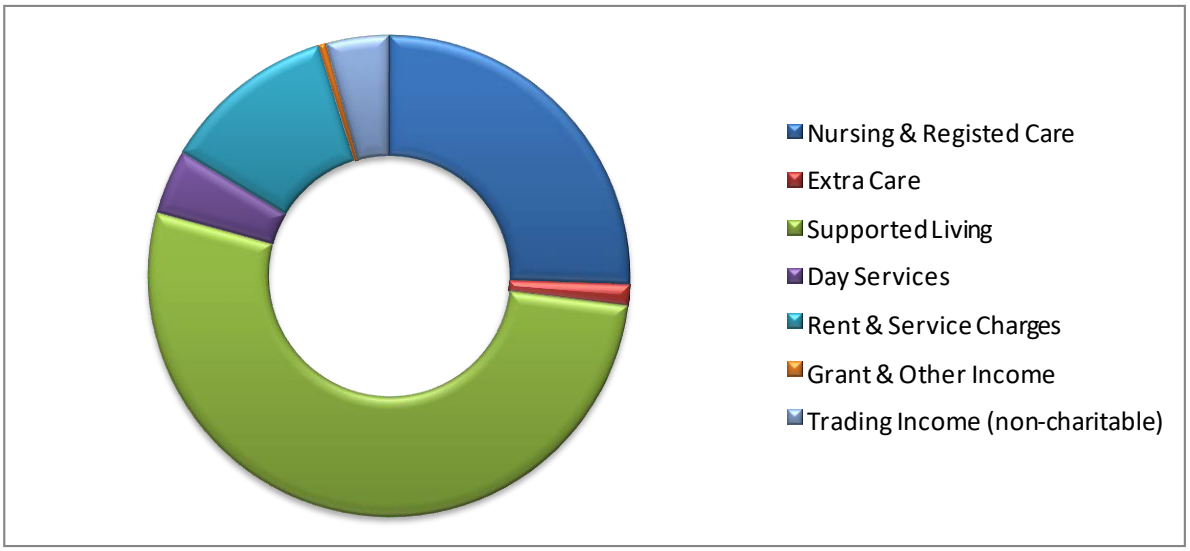
We are in the process of registering a new Extra Care service in Ashby de la Zouch, Leicestershire with CQC in readiness of the opening of this scheme in September 2021.

Financial Review & Reserves Policy

The company generated £18.7m of income during the year, an increase of £1.5m from the prior year. Additional support funding in relation to Covid-19 of £0.5m was received along with net disposal proceeds of £191k following the sale of Hill House. Increased needs of service users and requirements at our nursing homes has further increased the income in year.

96% of our income is generated through our charitable activities. This has reduced from 99% in previous years due to the £0.5m of income received in relation to Covid-19 support which is not deemed to be a charitable activity. As with previous years a small amount of income was generated from non-charitable activities including income from our social enterprise.

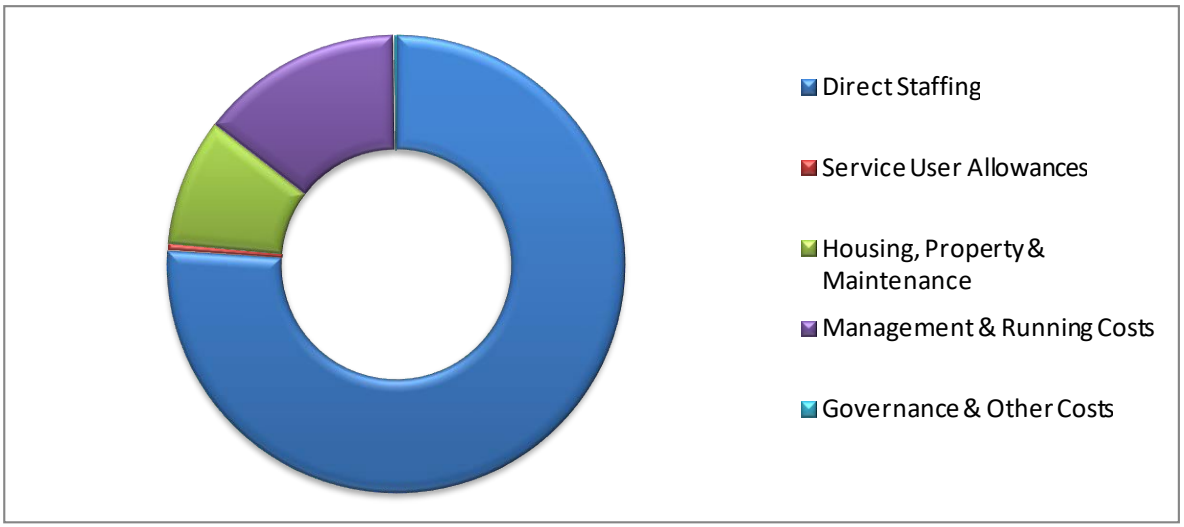
All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

Financial Review & Reserves Policy (continued)

Running costs and overheads of £17.1m were incurred in the year, £0.7m higher than in 2020. This includes significant additional costs in relation to the care provided during the Covid-19 pandemic. The chart below shows the main expenditure areas:



We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives. Our Statement of Financial Activities shows a surplus for the year of £1,064k (2020: £1,441k). This includes an increase in pension liabilities of £559k following the reassessment by the actuary.

Our surplus before pension adjustment was £1,623k (2020: £833k), whilst this shows the continued financial stability of the organisation. The additional income in relation to Covid-19 increased this surplus significantly above the previous year and is not reflective of an ongoing position. Balancing quality services with financial viability continues to be challenge for the organisation and our ultimate aim is for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

Overall the following amounts are proposed: -

	£000
Monthly working capital	4,250
Protection against loss of contracts	250
Inviable Service Delivery	250
Replacement Components	250
	5,000

Financial Review & Reserves Policy (continued)

At the end of the financial year the organisation had fixed assets of £9.7m (2020: £10m), net current assets of £8m (2020: £6.4m) and total funds of £16.0m (2020: £15m) indicating that the target has been achieved. Cash balances have increased by £1.1m over the year.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment is challenging and uncertain with the impacts of COVID19, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

As with many providers in our sector the current global pandemic has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We moved quickly to adapt our working practices despite the changing government advice and the low infection rates within our services is testament to this. We were able to access different income streams to support the increasing costs of continuing our valued services however continuation of this funding remains uncertain. As the pandemic continues the landscape is continually monitored and risks identified and mitigated where possible.

We have also remained engaged with ongoing case brought by UNISON for the sleep in pay. The final decision was delivered in March 2021 and deemed that social care staff are not entitled to the national minimum wage for every hour they work, including sleep-in shifts. We have continued to pay for these shifts as previously and ongoing arrangements will be reviewed with the county council.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of Disabled People

The company's policy is to give full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Disabled people receive appropriate training to promote their career development within the company. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

Grants and Donations

During the year the company made no charitable donations (2020: £nil).

The company has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by: -

Joanne Tilley (Sep 17, 2021 16:58 GMT+1)

JOANNE TILLEY
Secretary
7th September 2021

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for preparing the Trustees' 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. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

Jim holden

Jim holden (Sep 17, 2021 17:11 GMT+1)

Jim Holden
Chair
7th September 2021

Opinion
We have audited the financial statements of emh Care and Support Limited ("the charitable company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows, and related notes, including the accounting policies in note 2.

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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Trustee's conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees and the Audit Committee as to the charitable company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee inutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants / regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that care related income is recorded in the wrong period and may be overstated.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.
- Sample testing of care and support income relating to the period prior to 31 March 2021 to determine whether income is recognised in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Charitable company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), distributable profits legislation, taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Charitable Company 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 or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation and Employment and Social Security Legislation, recognising the regulated nature of the Charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Other information
The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities
As explained more fully in their statement set out on page 13, 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 which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill,
Snow Hill Queensway
Birmingham
B4 6GH

24 September 2020

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 Unrestricted Funds £000	2021 Restricted Funds £000	2021 Total Funds £000	2020 Total Funds £000
Income from :					
Income from Charitable Activities	3	17,923	-	17,923	17,086
Other income	4	791	-	791	139
Total Incoming Resources		18,714	-	18,714	17,225
Resources Expended					
Expenditure on :					
Charitable activities:	3	17,034	20	17,054	16,324
Other Expenditure	5	37	-	37	68
Total Resources Expended		17,071	20	17,091	16,392
Remeasurement of Social Housing Pension Scheme	8	(559)	-	(559)	608
Net incoming resources before transfers		1,084	(20)	1,064	1,441
Net movement in funds		1,084	(20)	1,064	1,441
Funds brought forward at 1 April 2020		14,212	773	14,985	13,544
Funds carried forward at 31 March 2021		15,296	753	16,049	14,985

The results shown above are all derived from continuing activities.

EMH CARE AND SUPPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Housing properties	11	7,931	7,905
Other fixed assets	11	1,808	2,086
		9,739	9,991
Current assets			
Trade and other debtors	13	2,481	2,563
Cash and cash equivalents		6,926	5,802
		9,407	8,365
Creditors: amounts falling due within one year	14	(1,415)	(2,001)
Net current assets		7,992	6,364
Total assets less current liabilities		17,731	16,355
Creditors: amounts falling due after more than one year	15	(723)	(919)
Provision for liabilities			
Other provisions	17	(174)	(107)
Pension liability	8	(785)	(344)
Net assets		16,049	14,985
Funds			
Unrestricted	18	15,296	14,212
Restricted	19	753	773
		16,049	14,985

These financial statements were approved by the Board on 7 September 2021 and were signed on its behalf by:

Jim holden

Jim holden (Sep 17, 2021 17:11 GMT+1)

Jim
Holden
Chair

Joanne Tilley (Sep 17, 2021 16:58 GMT+1)

Joanne
Tilley
Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Net cash inflow/(outflow) from operating activities	24	918	(182)
Cash Flows from Investing Activities			
Interest received		3	17
Purchase of tangible assets		(235)	(837)
Receipts from sale of assets		433	(32)
Cash provided by (used by) Investing Activities		201	(852)
Cash Flows from Financing Activities			
Interest received/(paid)		5	6
Cash provided (used by)/by Financing Activities		5	6
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		1,124	(1,028)
Cash and Cash equivalents at 1 April		5,802	6,830
Cash and Cash equivalents at 31 March		6,926	5,802

	At 1 April 2020 £000	Cash Flows £000	At 31 March 2021 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	5,802	1,124	6,926
Total Cash and Cash equivalents	5,802	1,124	6,926

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2021, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and
Related Parties note.

Going Concern
The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2021 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. Following the outbreak of Covid-19 the Charity has undertaken a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The board, after reviewing the charity budgets for 2021/22 and the charity's medium term financial position as detailed in the 30-year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

2 Principal Accounting Policies (continued)

Going Concern (continued)
- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;

- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;

- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources
All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended
Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

2 Principal Accounting Policies (continued)

Housing properties
Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Non component works to existing properties
The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Other tangible fixed assets
Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant
Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets
Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial assets is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets
The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the Charity. For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Pensions Trust Social Housing Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2 Principal Accounting Policies (continued)

Reserves
The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds
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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out above in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and Provisions
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments
The trust only has financial assets and financial 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.

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors
The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values
Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolesce

No triggers for impairment have been identified.

Defined benefit pensions liabilities
The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

	2021 £000	2020 £000
3 Charitable Activities		
Income from Charitable Activities		
Registered care funding	5,047	4,996
Supported living & day care contracts	10,596	9,589
Rental income & service charges	2,186	2,421
Amortised government grant	13	14
Other Charitable Income	81	66
Total Income from Charitable Activities	17,923	17,086
Expenditure on Charitable Activities		
Care staff costs, including training	12,970	12,127
Service user allowances	78	75
Housing costs	934	859
Maintenance costs	369	542
Salaries & management costs	2,148	2,043
Registration fees	12	10
Grants, donations and promotions	-	1
Professional fees	56	101
Depreciation and impairment	226	286
Bad Debts	40	(26)
Other costs	201	295
Total Expenditure on Charitable Activities	17,034	16,313
Restricted Funds		
Depreciation and impairment	12	11
Write offs	8	-
	20	11
4 Other Income		
Fixed asset disposal proceeds	252	7
Fixed asset grant abated	181	-
Fixed asset cost of disposals	(242)	(5)
Gain on disposal of fixed assets	191	2
Interest Received	3	17
Mobility Scheme	-	25
Other Income	597	95
Total Other Income	791	139

	2021 £000	2020 £000
5 Other Expenditure		
Interest Payable	7	22
Mobility Scheme	-	15
Governance;		
Professional Fees	30	31
	30	31
Total Other Expenditure	37	68

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:		
Depreciation & amortisation	245	298
Auditors remuneration	30	30

7 Staff numbers and costs

The average number of persons employed by the company (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2021 Number	2020 Number
Care and support staff	375	358
Office Staff	56	55
Trustees	5	5
	436	418

	2021 £000	2020 £000
Staff costs for the above persons:		
Wages and salaries	11,413	9,902
Social security costs	941	821
Pension costs	584	533
Termination Benefits	24	56
	12,962	11,312

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

8 Employee Benefits

The company operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2021

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2020	344	4
Loss/(profit)in the period charged to the profit & loss account	12	(1)
Loss in the period charged to other comprehensive income	559	-
Deficit contribution paid	(130)	-
Net liability at 31 March 2021	785	3

The Pensions Trust - Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	2021 £'000	2020 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	4,148	3,720
Present value of defined benefit obligation	(4,933)	(4,064)
Defined benefit (liability)/asset to be recognised	(785)	(344)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	4,064	4,697
Expenses	5	5
Interest expense	96	107
Actuarial losses/(gains) due to scheme experience	(21)	(100)
Actuarial losses/(gains) due to changes in demographic assumptions	18	(42)
Actuarial losses/(gains) due to changes in financial assumptions	885	(491)
Benefits paid and expenses	(114)	(112)
Defined benefit obligation at end of period	4,933	4,064
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	3,720	3,645
Interest income	89	84
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	323	(25)
Contributions by the employer	130	128
Benefits paid and expenses	(114)	(112)
Fair value of plan assets at end of period	4,148	3,720

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £412,000.

Defined benefit costs recognised in statement of comprehensive income (SOCI)		
Expenses	5	5
Net interest expense	7	23
Defined benefit costs recognised in statement of comprehensive income (SoCI)	12	28

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2021 £'000	2020 £'000
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	323	(25)
Experience gains and losses arising on the plan liabilities - (loss)/gain	21	100
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(18)	42
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(885)	491
Total amount recognised in other comprehensive income - (loss)/gain	(559)	608

Assets		
Global Equity	661	544
Absolute Return	229	194
Distressed Opportunities	120	72
Credit Relative Value	131	102
Alternative Risk Premia	156	260
Fund of Hedge Funds	-	2
Emerging Markets Debt	167	113
Risk Sharing	151	126
Insurance-Linked Securities	100	114
Property	86	82
Infrastructure	277	277
Private Debt	99	75
Opportunistic Illiquid Credit	105	90
High Yield	124	-
Opportunistic Credit	114	-
Corporate Bond Fund	245	212
Liquid Credit	50	2
Long Lease Property	81	64
Secured Income	173	141
Liability Driven Investment	1,054	1,234
Net Current Assets	25	16
Total assets	4,148	3,720

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2021 % per annum	2020 % per annum
Discount Rate	2.14	2.39
Inflation (RPI)	3.30	2.65
Inflation (CPI)	2.85	1.65
Salary Growth	3.85	2.65
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

The Pensions Trust - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11.243m per annum (payable monthly and increasing by 3.0% each year on 1 April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12.945m per annum (payable monthly and increasing by 3.0% each year on 1 April)
From 1 April 2016 to 30 September 2028:	£50.560k per annum (payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2021 £000	2020 £000
Present Value of provision		
Present value of provision at period end	3	4
Reconciliation of opening and closing provisions		
Provision at start of period	4	5
Deficit contribution paid	(1)	(1)
Provision at the end of period	3	4

	2021 £000	2020 £000
8 Employee Benefits (continued)		
The Pensions Trust - The Growth Plan (continued)		
Assumptions		
Rate of discount per annum	0.66%	2.53%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration		
Fees payable to the company's auditor for the audit of the annual accounts	30	30

10 Taxation

The company is a registered charity and has no trading activities liable to taxation

11 Fixed Assets

Housing Assets	Assets in the Course of Construction £000	Housing properties for letting £000	Care and support properties £000	Total £000
Cost				
1 April 2020	5	6,202	4,731	10,938
Replacement of Components	42	123	18	183
Disposals	-	(22)	(45)	(67)
31 March 2021	47	6,303	4,704	11,054
Accumulated depreciation				
1 April 2020	-	1,414	1,302	2,716
Charge for year	-	93	64	157
Disposals	-	(22)	(45)	(67)
31 March 2021	-	1,485	1,321	2,806
Impairment				
1 April 2020	-	-	317	317
31 March 2021	-	-	317	317
Net book value				
31 March 2021	47	4,818	3,066	7,931
31 March 2020	5	4,788	3,112	7,905

Other Fixed Assets	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2020	1,222	849	478	201	2,750
Additions	-	-	52	-	52
Disposals	(292)	-	-	(28)	(320)
31 March 2021	930	849	530	173	2,482
Accumulated depreciation					
1 April 2020	337	-	189	138	664
Charge for year	17	17	37	17	88
Disposals	(50)	-	-	(28)	(78)
31 March 2021	304	17	226	127	674
Net book value					
31 March 2021	626	832	304	46	1,808
31 March 2020	885	849	289	63	2,086

	2021 £000	2020 £000
12 Impairment of Housing Assets		

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors

Current tenant arrears	86	94
Less provision for bad and doubtful debts	(56)	(47)
Former tenant arrears	2	4
Less provision for bad and doubtful debts	(2)	(4)
Trade debtors	1,790	1,900
Less provision for trade debtors	(28)	(13)
Prepayments and accrued income	624	488
Other debtors	5	8
Amounts due from Group Companies	60	133
	2,481	2,563

14 Creditors: amounts falling due within one year

Trade creditors	265	459
Rent received in advance	36	33
Accruals and deferred income	1,041	1,161
Taxation and social security	-	216
Other creditors	26	25
Pension deficit contributions	1	1
Amounts due to Group Companies	46	106
	1,415	2,001

	2021 £000	2020 £000
15 Creditors: amounts falling due after more than one year		
Deferred government grants (see note 16)	721	916
Pension deficit contributions	2	3
	723	919

16 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2020	916	916
Released to income in the year	(14)	(14)
Disposed in the year	(181)	(181)
At 31 March 2021	721	721

17 Provision for Liabilities

	Opening balance as at 1 April 2020	Additional Commitments made during the year	Provisions reversed during the year	Closing balance as at 31 March 2021
Leave Pay	107	67	-	174
	107	67	-	174

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

18 Unrestricted Funds

	Balance at 1 April 2020 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2021 £000
Retained Surpluses	14,212	1,084	-	15,296
	14,212	1,084	-	15,296

19 Restricted Funds	Balance at 1 April 2020 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2021 £000
Property fund - NHS	670	-	(17)	653
SEIF Capital Grant	103	-	(3)	100
	773	-	(20)	753

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	753	-	753
Unrestricted Funds	8,986	6,310	15,296
	9,739	6,310	16,049

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

	2021 £000	2020 £000

22 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:		
EMH Housing & Regeneration Ltd	408	291

Sales to EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:		
East Midlands Housing Group Limited	863	920
EMH Housing & Regeneration Ltd	38	38

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors		
East Midlands Housing Group Limited	-	12
EMH Housing & Regeneration Ltd	60	121
Creditors		
East Midlands Housing Group Limited	13	76
EMH Housing & Regeneration Ltd	33	30

23 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

24 Notes to the Cash Flow Statement	2021 £000	2020 £000
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net income for reporting period (as per the statement of financial activities)	1,064	1,441
Adjustments for :		
Depreciation charges	245	298
(Gain) on disposal of assets	(191)	(2)
Interest Receivable	(3)	(17)
Interest Payable	7	22
Deferred government grants	(14)	(13)
Pensions costs less contributions payable	428	(737)
Grant abated	(181)	-
Decrease/(increase) in debtors	82	(904)
(Decrease)/increase in creditors	(586)	49
Increase/(decrease) in provisions	67	(319)
Net cash inflow/(outflow) from operating activities	918	(182)

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Sarah Brown
KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

7 September 2021

Dear Sarah

This representation letter is provided in connection with your audit of the financial statements of Emh Care and Support Limited ("the charitable company"), for the year ended 31 March 2021, for the purpose of expressing an opinion:

i. as to whether these financial statements give a true and fair view of the state of the Company's affairs as at year end and of the Company's profit or loss for the financial year then ended;
ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"); and
iii. whether the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

These financial statements comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 8 February 2021 for the preparation of financial statements that:

    i. give a true and fair view of the state of the Charitable Company's affairs as at the end of its financial year and of its profit or loss for that financial year;

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ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102); and
iii. have been prepared in accordance with the requirements of the Companies Act 2006.

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

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

3. All events subsequent to the date of the financial statements and for which section 32 of FRS 102 requires adjustment or disclosure have been adjusted or disclosed.

4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

Information provided

5. The Board has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from the Board for the purpose of the audit; and
- unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The Board confirms the following:

i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

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ii) The Board has disclosed to you all information in relation to:

a) Fraud or suspected fraud that it is aware of and that affects the Company and involves:
- management;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements; and

b) allegations of fraud, or suspected fraud, affecting the Charitable Company's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

9. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with section 21 of FRS 102 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

10. The Board has disclosed to you the identity of the Charitable Company's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS 102.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

11. The Board confirms that:

a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Company's ability to continue as a going concern as required to provide a true and fair view and to comply with FRS 102.
b) No material events or conditions exist that may cast significant doubt on the ability of the Company to continue as a going concern.

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12. On the basis of the process established by the Board and having made appropriate enquiries, the Board is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and in accordance with the requirements of section 28 of FRS 102.

    The Board further confirms that:

    a) all significant retirement benefits, including any arrangements that are:
        - statutory, contractual or implicit in the employer's actions;
        - arise in the UK and the Republic of Ireland or overseas;
        - funded or unfunded; and
        - approved or unapproved,

    have been identified and properly accounted for; and

    b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Board of Trustees on 7 September 2021.

Yours faithfully

Jim holden
Jim holden (Sep 17, 2021 17:11 GMT+1)

Chair of Trustees

Appendix to the Board Representation Letter of Emh Care and Support Limited: Definitions

Criteria for applying the disclosure exemptions within FRS 102

- The Charitable Company discloses in the notes to its financial statements:
  a) A brief narrative summary of the disclosure exemptions adopted; and
  b) The name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained

Financial Statements

A complete set of financial statements (before taking advantage of any of the FRS 102 exemptions) comprises:

- *a Balance Sheet as at the end of the period;*
- *a Profit and Loss account for the period;*
- *a statement of other comprehensive income for the period;*
- *a statement of changes in equity for the period;*
- *a cash flow statement for the period*
- *notes, comprising a summary of significant accounting policies and other explanatory information.*

FRS 102 permits an entity either to present (i) separately a Profit and Loss account and a Statement of Other Comprehensive Income or (ii) a combined Profit and Loss Account and Other Comprehensive Income.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

a) was available when financial statements for those periods were authorised for issue; and
b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Qualifying Entity

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation by means of full consolidation.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 as the "reporting entity").

a) A person or a close member of that person's family is related to a reporting entity if that person:
    i. has control or joint control over the reporting entity;
    ii. has significant influence over the reporting entity; or
    iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
b) An entity is related to a reporting entity if any of the following conditions apply:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
iii. Both entities are joint ventures of the same third party.
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
vi. The entity is controlled, or jointly controlled by a person identified in (a).
vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.