

KING/CULLIMORE CHARITABLE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

KING/CULLIMORE CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P A Cullimore Mr R Davies Mr C J Gardner Mrs A L Martin Mrs J N Pye
Charity number	1074928
Registered office	52 Ledborough Lane Beaconsfield Buckinghamshire HP9 2DF
Auditor	Harwood Hutton Limited 22 Wycombe End Beaconsfield Buckinghamshire HP9 1NB

KING/CULLIMORE CHARITABLE TRUST

CONTENTS

	Page
Trustees' report	1 - 3
Independent auditor's report	4 - 6
Statement of financial activities	7
Consolidated balance sheet	8
Charity balance sheet	9
Consolidated statement of cash flows	10
Charity statement of cash flows	11
Notes to the financial statements	12 - 22

KING/CULLIMORE CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objectives of the Trust are for the trustees to apply the income and all or such part, or parts, of the capital of the Trust at such time or times, and in such manner to, or for, the benefit of such general charitable objects and purposes in any part of the world as the trustees may in their discretion think fit.

The charity's main activities are the raising of income from its investment portfolio and its subsidiary, and the donation of funds to beneficiaries that are wide-ranging including in social and nursing care. The charity reviews all applications for funds to ensure that they meet its legal aims and purpose. These are reviewed and considered at regular trustee meetings, where trustees actively review all requests for funding and ensure that these comply with the charity's aims and objectives. The charity measures its success by the quantifiable donations that it makes each financial year.

The full number of trustees is five individuals. The power of appointing new trustees shall be vested in the trustees for the time being and shall be exercised by Deed.

The trustees determine all donations made and also monitor and manage the investment portfolio. One of the trustees sits on the Board of Directors of the subsidiary charitable company, and is involved in the day-to-day operations along with key strategic decisions of the subsidiary charitable company.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Structure, governance and management

The Trust is constituted under a Charitable Trust Deed dated 18 November 1998 as subsequently modified and is registered with the Charity Commission.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr P A Cullimore
Mr R Davies
Mr C J Gardner
Mrs A L Martin
Mrs J N Pye

Achievements and performance

Financial review

During the year total incoming resources were £3,965,964 (2020: £4,628,505), total expenses were £3,680,445 (2020: £4,694,854) and net outgoing resources, before gains or losses on investments was £285,519 (2019: £(66,349)). The figure of £285,519 indicates that a surplus was made in 2021.

The income for the year ending 31st March 2021 was 86% of the income for the previous year. Careful control of expenditure resulted in the expenditure being reduced to 78% of the previous year figure.

Main income sources were the investment portfolio and the domiciliary care activities undertaken by the subsidiary charity.

KING/CULLIMORE CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Investment income fell by 5% to £367,401 (2020: 386,323). The trustees consider the return from the investment portfolio to be strong this year in light of uncertainty in the market place.

Income from the domiciliary care activities fell by 28% to £3,071,113 (2020: £4,242,182). There were several reasons for the reduction in income from the domiciliary care activities undertaken by the subsidiary charity. Domiciliary care was only provided for 11 months of the period and for almost 6 months of the year the Care Quality Commission (CQC) restricted the operations of the business by not permitting any new clients to be taken on. In addition to this, several clients decided to be cared for by their own families in order to reduce the possibility of catching COVID-19 virus.

Following the first report from the CQC in 2019 indicating that they considered that the care rating was inadequate they placed a closure notice on the business with a closing date of 13th April 2021. A QC was instructed to review the position and a challenge to the notice was issued on the basis that there had been considerable improvements in compliance following receipt of the first report. The CQC then decided that they could defend the closure notice based upon the situation in 2019 when it was clear that there had been failures to meet certain regulations. The CQC decided at the last moment that they would base their closure notice on their findings in 2019 when we accepted that there were breaches of the regulations. They then ignored all the improvements which we had subsequently made. Our QC advised us that there was only a small chance of achieving success in our challenge and we decided that we would withdraw our challenge.

At the proposed date of closure there would have been no value in the business. It was therefore decided that an agent would be commissioned to find a buyer for the assets of the business. On 1st March 2021 a contract was signed with Nobilis Care Ltd to purchase the assets of Universal Care Ltd. It was a requirement in the contract that all office staff and carers would continue to be employed under the TUPE regulations. This also meant that clients would continue to have the same pattern of care as in the past. The terms of the contract required Nobilis to make payments for the purchase with the last payment being in September 2022.

During the year donations of £478,597 (2020: £532,540) have been made to various charities and worthy causes, split as follows: health and disability 83%, education and training 13%, and international 4%.

Principal risks and uncertainties

Dividends received from listed investments are a key income source for the Trust; therefore with the ongoing uncertainty over Covid, a reduction in income from the UK Stock Market is a concern but is regarded as a small risk.

The charity mitigates its risk by managing its investments to provide a consistent income stream. Third party advice is obtained in order to manage the risks associated with the investment portfolio returns.

Plans for future periods

The charity will continue to distribute income to support causes selected by the trustees and maximise donations. It aims to achieve this through monitoring stock market information and acting in response to this and the investment portfolio it maintains.

The assets of the subsidiary charity, Universal Care Limited, have been sold to Nobilis Care Limited therefore the charity is no longer providing domiciliary care activities. The charity will continue with the other objectives as stated in its governing document.

Reserves Policy

The trustees aim to maintain the reserves in unrestricted funds at a sufficient level which will provide sufficient income to cover expected donations to worthy causes. In this regard, no Trustees received remuneration in their capacity as trustees of the parent charity.

The group's unrestricted funds as at 31 March 2021 are £7,860,589 (2020: £7,481,665) and restricted funds (those relating to the subsidiary charitable company) are £711,003 (2020: £314,472). No designated funds are held.

KING/CULLIMORE CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The trustees are responsible for preparing the trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for making all decisions in relation to the application of monies and that all such monies would be used for charitable purposes.

Auditor

Harwood Hutton Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the board of trustees.

.....
Mr P A Cullimore

Trustee

Dated: .07/12/2021.....

KING/CULLIMORE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE KING/CULLIMORE CHARITABLE TRUST

Opinion

We have audited the financial statements of King/Cullimore Charitable Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

KING/CULLIMORE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF UNIVERSAL CARE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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.

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.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

KING/CULLIMORE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF UNIVERSAL CARE LIMITED

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

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

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected transactions;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities is available on the Financial Reporting Council'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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Harwood Hutton Limited

10 December 2021

**Chartered Accountants
Statutory Auditor**

22 Wycombe End
Beaconsfield
Buckinghamshire
HP9 1NB

KING/CULLIMORE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Restricted funds	Restricted funds Discontinued activities	Total	Unrestricted funds	Restricted funds	Restricted funds Discontinued activities	Total
	Notes	2021 £	2021	2021 £	2021 £	2020 £	2020 £	2020 £	2020 £
Income from:									
Charitable activities	3	-	-	3,071,113	3,071,113	-	-	4,242,182	4,242,182
Investments	4	365,415	1,987	-	367,402	386,323	-	-	386,323
Other income	5	-	-	527,449	527,449	-	-	-	-
Total income		365,415	1,987	3,598,562	3,965,964	386,323	-	4,242,182	4,628,505
Expenditure on:									
Charitable activities	7	476,427	8,410	3,213,003	3,697,840	531,379	9,541	4,152,331	4,693,251
Other	11	-	-	(17,395)	(17,395)	-	-	1,603	1,603
Total resources expended		476,427	8,410	3,195,608	3,680,445	531,379	9,541	4,153,934	4,694,854
Net income/(expenditure) and net movement in funds before gains and losses on investments		(111,012)	(6,423)	402,954	285,519	(145,056)	(9,541)	88,248	(66,349)
Net gains/(losses) on investments		489,936	-	-	489,936	(1,124,009)	-	-	(1,124,009)
Net movement in funds		378,924	(6,423)	402,954	775,455	(1,269,065)	(9,541)	88,248	(1,190,358)
Fund balances at 1 April 2020		7,481,665	(9,541)	324,013	7,796,137	8,714,970	-	271,525	8,986,495
Transfer between funds		-	-	-	-	35,760	-	(35,760)	-
Fund balances at 31 March 2021		7,860,589	(15,964)	726,967	8,571,592	7,481,665	(9,541)	324,013	7,796,137

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from a mix of continuing and discontinuing activities.

The notes on pages 12 to 22 form part of these financial statements

KING/CULLIMORE CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		-		13,786
Investments	13		7,728,469		7,168,445
			<u>7,728,468</u>		<u>7,182,231</u>
Current assets					
Debtors	14	609,478		437,509	
Cash at bank and in hand		309,840		353,208	
		<u>919,318</u>		<u>790,717</u>	
Creditors: amounts falling due within one year	15	(76,195)		(176,811)	
Net current assets			<u>843,123</u>		<u>613,906</u>
Total assets less current liabilities			<u>8,571,592</u>		<u>7,796,137</u>
Funds of the charity					
Unrestricted funds	16	7,860,589		7,481,665	
Restricted funds	16	711,003		314,472	
Total charity funds			<u>8,571,592</u>		<u>7,796,137</u>

The notes on pages 12 to 22 form part of these financial statements

The accounts were approved by the trustees on 07/12/2021

.....
Mr P A Cullimore
Trustee

KING/CULLIMORE CHARITABLE TRUST

CHARITY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	13	8,439,472		7,525,626	
Current assets					
Debtors	14	128		128	
Cash at bank and in hand		141,992		323,091	
		<u>142,120</u>		<u>323,219</u>	
Creditors: amounts falling due within one year	15	<u>(10,000)</u>		<u>(10,000)</u>	
Net current assets			132,120		313,219
Net assets			<u>8,571,592</u>		<u>7,838,845</u>
Total charity funds	16		<u>8,571,592</u>		<u>7,838,845</u>

The financial statements were approved by the trustees on 07/12/2021

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Mr P A Cullimore
Trustee

KING/CULLIMORE CHARITABLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(415,749)		(454,834)
Investing activities					
Purchase of tangible fixed assets		-		(6,894)	
Proceeds on disposal of tangible fixed assets		27,053		11,633	
Purchase of fixed asset investments		(70,087)		(741,223)	
Proceeds on disposal of fixed asset investments		-		634,004	
Proceeds on disposal of business		50,000		-	
Interest received		225		1,374	
Dividends received		365,190		385,123	
Net cash generated from investing activities			372,381		284,017
Net decrease in cash and cash equivalents			(43,368)		(170,817)
Cash and cash equivalents at beginning of year			353,208		524,025
Cash and cash equivalents at end of year			309,840		353,208

KING/CULLIMORE CHARITABLE TRUST

CHARITY STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	19		(476,427)		(420,588)
Investing activities					
Proceeds on disposal of investments		-		634,004	
Purchase of fixed asset investments		(70,087)		(741,223)	
Distribution from subsidiary		-		35,760	
Interest received		225		1,375	
Other income received from investments		365,190		385,123	
Net cash generated from investing activities			295,328		315,039
Net decrease in cash and cash equivalents			(181,099)		(105,549)
Cash and cash equivalents at beginning of year			323,091		428,640
Cash and cash equivalents at end of year			141,992		323,091

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The King/Cullimore Charitable Trust is a charitable trust registered in England and Wales. The address of the charity is given in the legal and administrative information page contained within these financial statements. The nature of the charity's operations and principal activities are described in the trustee's report.

1.1 Accounting convention

The amounts have been prepared in accordance with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1 January 2019.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The financial statements consolidate the results of the charity and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of an asset transferred.

1.3 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the group will continue in operational existence for the foreseeable future. As the subsidiary sold the assets relating to the operation of the domiciliary care activities in March 2021 the subsidiary will continue to operate but will focus on the other objectives as stated in its governing document.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted fund are the reserves held by the subsidiary charity, Universal Care Limited, as while this charity has similar charitable purposes, they are not identical to that of the parent charity.

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Investment income on quoted equities is recognised on an accruals basis when the securities are quoted 'ex-dividend.' Dividend income on unquoted equities is recognised when the dividend is declared.

1.6 Expenditure

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the charitable activity.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Furniture and equipment	15% reducing balance
Fixtures and fittings	25% on cost
Computers	50% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the statement of financial activities.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

A subsidiary is an entity controlled by the group. Control is the power given to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The Trust does not acquire put options, derivatives or other complex financial instruments.

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less .

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 "Basic financial Instruments" to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are measured at transaction price less any provision for impairment.

Basic financial liabilities

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fair value of subsidiary

On 1 May 2015, P A Cullimore gifted his entire shareholding in Universal Care Limited, a company incorporated in England and Wales, to the King/Cullimore Trust and the trust has held 100% of the issued share capital of the company from that date. The subsidiary was impaired in the prior year. Some of this impairment was reversed in the current year as the trade and assets within the subsidiary were disposed of and therefore the value of the subsidiary was deemed to be equal to its net assets.

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Financial performance of the charity

A separate income and expenditure account has not been prepared as the figures comprising net income/(expenditure) for the year shown in the Consolidated Statement of Financial Activities on page 7 give the information required under the Charities Act 2011, together with details of other recognised gains and losses.

3	Income from Charitable activities	2021 £	2020 £
	Sales within charitable activities	3,071,113	4,242,181

All sales within charitable activities relate to discontinued activities of the subsidiary.

4	Investment income	2021 £	2020 £
	Interest	2,212	1,200
	Dividends	365,190	385,123
		<u>367,402</u>	<u>386,323</u>

5 Other income

Due to changes in the regulatory environment, the board of trustees of Universal Care Limited (the subsidiary) sold the assets relating to provision of domiciliary care to Nobilis Care Limited. The sale was completed on 1 March 2021 at which date control of the domiciliary care operations passed to the acquirer. The comparative figures have been re-presented to show separately the results of the discontinued operation as included in that period.

	2021 £	2020 £
Sale of discontinued operations		
Net book value of Property, plant and equipment sold	6,211	-
	<u>6,211</u>	<u>-</u>
Profit on sale of fixed assets	18,042	-
Profit on sale of discontinued activity	527,449	-
	<u>551,702</u>	<u>-</u>

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Financial performance of the subsidiary

The wholly owned trading subsidiary Universal Care Limited is incorporated in the United Kingdom (company number 02052520) and also, from June 2019, a registered charity (charity number 1184010). Prior to June 2019 Universal Care Limited paid all of its taxable profits to the parent charity under the gift aid scheme.

The summary financial performance of the subsidiary alone is:

	Continued activities	Discontinued activities	Total 2021	Continued activities	Discontinued activities	Total 2020
	£	£	£	£	£	£
Sales within Charitable activities		3,071,113	3,071,113	-	4,242,182	4,242,182
Investment income	1,987	-	1,987	-	-	-
Other income (Note 5)		527,449	527,449	-	-	-
	1,987	3,598,562	3,600,549	-	4,242,182	4,242,182
Expenditure on charitable activities	8,410	3,213,003	3,221,413	9,541	4,152,331	4,161,872
Other	-	(17,395)	(17,395)	-	1,603	1,603
	8,410	3,195,608	3,204,018		4,153,934	4,163,475
Net income	(6,423)	402,954	396,531	(9,541)	88,248	78,707
Donation to parent	-	-	-	-	(35,760)	(35,760)
Retained surplus in subsidiary charity	(6,423)	402,954	396,531	(9,541)	52,488	42,947

7 Charitable activities

	Grant giving	Domiciliary care	Total 2021	Grant giving	Domiciliary care	Total 2020
	£	£	£	£	£	£
Care costs – staff (note 10)	-	2,759,360	2,759,360	-	3,706,986	3,706,986
Care costs - other	-	221,602	221,602	-	314,848	314,848
Donations	470,187	8,410	478,597	523,000	9,540	532,540
	470,187	2,989,372	3,459,559	523,000	4,031,374	4,544,374
Support costs (note 8)	-	224,041	224,041	4,109	122,498	126,607
Governance costs (note 8)	6,240	8,000	14,240	4,270	8,000	12,270
	6,240	232,041	238,281	8,379	130,498	138,877
Total charitable activities	476,427	3,221,413	3,697,840	531,379	4,161,872	4,693,251
Total charitable activities split between continuing and discontinuing activities						
Continued	476,427	8,410	484,837	531,379	9,540	540,919
Discontinued	-	3,213,003	3,213,003	-	4,152,332	4,152,332
Total charitable activities	476,427	3,221,413	3,697,840	531,379	4,161,872	4,693,251

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Legal and professional	213,949	-	213,949	99,234	-	99,234
Accountancy	10,057	-	10,057	16,456	-	16,456
Subscriptions	35	-	35	10,917	-	10,917
Audit fees	-	14,240	14,240	-	12,270	12,270
	<u>224,041</u>	<u>14,240</u>	<u>238,281</u>	<u>126,607</u>	<u>12,270</u>	<u>138,877</u>
Analysed between						
Grant giving	-	6,240	6,240	4,109	4,270	8,379
Domiciliary care	<u>224,041</u>	<u>8,000</u>	<u>232,041</u>	<u>122,498</u>	<u>8,000</u>	<u>130,498</u>
	<u>224,041</u>	<u>14,240</u>	<u>238,281</u>	<u>126,207</u>	<u>12,270</u>	<u>138,877</u>

Governance costs includes payments to the auditors of £14,240 (2020 - £12,270) for audit fees.

9 Trustees

During the year none of the trustees (or any persons connected with them) received any remuneration or benefits from the charity. Prior to the subsidiary becoming a charity on 20 June 2019, Peter Cullimore was remunerated £1,750 by way of director's remuneration by the subsidiary.

The trustees also did not incur any expenses as trustees.

10 Employees

The average monthly number of employees during the year was:

	2021 Group	2021 Charity	2020 Group	2020 Charity
	<u>107</u>	<u>-</u>	<u>146</u>	<u>-</u>
Employment costs			2021 £	2020 £
Wages and salaries			2,461,355	3,336,502
Social security costs			216,130	293,559
Other pension costs			81,875	76,925
			<u>2,759,360</u>	<u>3,706,986</u>

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Other expenditure

	Unrestricted funds Discontinued 2021 £	Unrestricted funds Discontinued 2020 £
Net gain/(loss) on disposal of tangible fixed assets	17,395	(1,603)
	<u>17,395</u>	<u>(1,603)</u>

12 Tangible fixed assets

	Furniture and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2020	20,367	9,979	61,598	19,168	111,112
Disposals	(20,367)	(9,979)	(61,598)	(19,168)	(111,112)
At 31 March 2021	-	-	-	-	-
Depreciation and impairment					
At 1 April 2020	14,931	6,799	61,598	13,998	97,326
Depreciation charged in the year	815	1,590	-	1,723	4,128
Eliminated in respect of disposals	(15,746)	(8,389)	(61,598)	(15,721)	(101,454)
At 31 March 2021	-	-	-	-	-
Carrying amount					
At 31 March 2021	-	-	-	-	-
At 31 March 2020	5,436	3,180	-	5,170	13,786

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Investments in subsidiaries	-	711,003	-	357,181
Listed investments	7,728,469	7,728,469	7,168,445	7,168,445
Market value carried forward	<u>7,728,469</u>	<u>8,439,472</u>	<u>7,168,445</u>	<u>7,525,626</u>
	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Movement in listed investments				
Market value brought forward	7,168,445	7,168,445	8,185,235	8,185,235
Add: additions to investment at cost	70,087	70,087	741,224	741,224
Less: disposals at carrying value	-	-	(632,856)	(632,856)
Add: net gain/(loss) on revaluation	489,937	489,936	(1,125,158)	(1,125,158)
Market value carried forward	<u>7,728,469</u>	<u>7,728,468</u>	<u>7,168,445</u>	<u>7,168,445</u>
	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Investments at fair value comprised of:				
Investments in subsidiaries	-	711,003	-	357,181
Listed investment	7,728,469	7,728,469	7,168,445	7,168,445
Equities	<u>7,728,468</u>	<u>8,439,472</u>	<u>7,168,445</u>	<u>7,525,626</u>

The King/Cullimore Trust holds 100% of the issued share capital in its subsidiary Universal Care Limited. Universal Care Limited is a charitable company incorporated in England and Wales (company registration number 0052520, Charity registration number 1184010). Historically, the investment in the subsidiary was valued by applying the capitalisation of earnings technique to the subsidiary's EBITDA which amounted to £357,181 last year however during the year its trade was sold and this valuation method is no longer applicable, so the investment was valued at the balance sheet total as that reflects the value of the investment.

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Debtors

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Amounts falling due within one year:				
Trade debtors	95,046	-	107,046	-
Other debtors	375,019	128	330,463	128
	<u>470,065</u>	<u>128</u>	<u>437,509</u>	<u>128</u>
Amounts falling due after more than one year				
Other debtors	<u>139,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>609,479</u>	<u>128</u>	<u>437,509</u>	<u>128</u>

15 Creditors: amounts falling due within one year

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Other taxation and social security	19,641	-	64,335	-
Other creditors	<u>56,554</u>	<u>10,000</u>	<u>112,476</u>	<u>10,000</u>
	<u>76,195</u>	<u>10,000</u>	<u>176,811</u>	<u>10,000</u>

16 Funds of the charity

Group

	At the 1 April 2020	Net movement in year	Transfers	At the 31 March 2021
Unrestricted funds	7,481,665	378,924	-	7,860,589
Restricted funds	<u>314,472</u>	<u>396,531</u>	<u>-</u>	<u>711,003</u>
	<u>7,796,137</u>	<u>775,455</u>	<u>-</u>	<u>8,571,592</u>

Restricted fund are the reserves held by the subsidiary charity, Universal Care Limited, as while this charity has similar charitable purposes, they are not identical to that of the parent charity.

Charity

All the charitable trust's reserves are unrestricted

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Analysis of net assets between funds Group

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	7,728,468	-	7,728,468	7,168,445	13,786	7,182,231
Current assets/(liabilities)	132,121	711,003	843,124	313,220	300,686	613,906
	<u>7,860,589</u>	<u>711,003</u>	<u>8,571,592</u>	<u>7,481,665</u>	<u>314,472</u>	<u>7,796,137</u>

Charity

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	8,439,473	-	8,439,473	7,525,626	-	7,525,626
Current assets/(liabilities)	132,119	-	132,119	313,219	-	313,219
	<u>8,571,592</u>	<u>-</u>	<u>8,571,592</u>	<u>7,838,845</u>	<u>-</u>	<u>7,838,845</u>

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	25,360	59,464
Between two and five years	101,440	237,856
In over five years	71,853	105,739
	<u>198,653</u>	<u>403,059</u>

KING/CULLIMORE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Cash generated from operations

Group	2021 £	2020 £
Net incoming resources/(deficit)	775,455	(1,190,358)
Adjustments for:		
Interest receivable	(2,212)	(1,200)
Investment income	(365,190)	(385,123)
(Gain)/loss on disposal of tangible fixed assets	(17,395)	1,603
(Gain)/loss on disposal of business	(527,449)	-
(Gain)/loss on disposal of fixed asset investments	-	(48,215)
Fair value (gain)/loss on fixed asset investments	(489,937)	1,172,224
Depreciation and impairment of tangible fixed assets	4,128	4,272
Movements in working capital:		
(Increase)/decrease in debtors	307,467	99,690
(Decrease) in creditors	(100,616)	(107,727)
Cash generated from/(absorbed by) operations	(415,749)	(454,834)

Charity

	2021 £	2020 £
Net incoming resources/(deficit)	732,748	(2,457,182)
Adjustments for:		
Interest receivable	(225)	(1,200)
Investment income	(365,190)	(385,123)
(Gain)/loss on disposal of fixed asset investments	-	(48,215)
Fair value (gain)/loss on fixed asset investments	(489,937)	1,172,223
Impairment of subsidiary	(353,823)	1,223,876
Distribution from subsidiary		(35,760)
Movements in working capital:		
(Increase)/decrease in debtors	-	114,113
(Decrease) in creditors	-	(3,320)
Cash generated from/(absorbed by) operations	(476,427)	(420,588)

20 Analysis of changes in net funds

Group	1 April 2021	Cash flows	31 March 2021
Cash in hand and at bank	353,208	(43,368)	309,840
Charity	1 April 2021	Cash flows	31 March 2021
Cash in hand and at bank	323,091	(181,100)	141,991