

Charity Registration No. 1083810

Company Registration No. 02770415 (England and Wales)

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C Fisher C Price S Moreland Lady de Clifford M Lewis	(Appointed 18 December 2020)
	D Buy	(Appointed 18 December 2020)
Secretary	C Fisher	
Charity number	1083810	
Company number	02770415	
Principal address	Horsfall house Windmill Road Minchinhampton Gloucestershire United Kingdom GL6 9EY	
Registered office	Horsfall house Windmill Road Minchinhampton Gloucestershire United Kingdom GL6 9EY	
Auditor	Azets Audit Services Epsilon House The Square Gloucester Business Park Gloucester United Kingdom GL3 4AD	
Bankers	Lloyds Bank Plc 12 Rowcroft Stroud Gloucestershire GL5 3BD	

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

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MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees present their report and financial statements for the year ended 30 September 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, the Companies Act 2006 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 charity's principal object, in accordance with its constitution, continues to be the relief of the aged and disabled who are resident in and around Minchinhampton by the provision of facilities for rehabilitation, recreation and leisure time occupation.

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

Throughout the year, the charitable company served the local community by offering residential, domiciliary and day care to both privately funded and social service funded clients.

The purpose built Nursing Home has 44 beds, split evenly between General Nursing for the frail and elderly and Specialist Nursing for those with Dementia and other memory disorders. Along side this we can also offer:

- Palliative Care
- Respite
- Short Breaks Care

The charity's staff are knowledgeable and highly trained allowing the charity to offer residents the required support and reassurance. Registered nurses are on duty 24 hours a day and all of the charity's Care Assistants are trained to levels 2 & 3 in Health and Social Care.

The Charity have a dedicated kitchen providing healthy, freshly cooked meals and able to cater for any dietary need.

Achievements and performance

The Charity continuously assess and monitor outcomes for users of all services in order to implement changes or improvements. The Charity do this through annual satisfaction surveys and audits of:

- medication administration
- care documentation
- tissue viability (skin integrity)
- incidents, accidents or untoward events
- infection prevention and control

The Charity works closely with professional organisations to ensure that care is always in line with best practice and best meets the interests and needs of our users.

The Charity continues to maintain an overall 'Good' rating with Care Quality Commission in both the care home and homecare services it provides.

The Charity undergoes regulatory inspections of catering facilities by Environmental Health and have systematically maintained the highest level of Five Stars.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

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

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial review

The objective continues to be to produce a modest surplus however this year the charity made a deficit of £90,280. During the year Covid 19 continued to have an impact on the Dr Booth Day Centre with the centre re-opening in May 2021 following closures for part of the year.

Demand for the services that Horsfall House provides is undiminished and since Covid 19 testing can be undertaken on new residents, allied to strict risk assessments, they are being accepted into the Home. This has resulted in Horsfall House maintaining a bed occupancy level of over 93% during the year (2020 - 93%).

During the year the Charitable company started to receive additional funding from its parent charity. Income includes amounts totalling £222,348 (2020 - Nil) from its parent charity giving financial support to residents of the Nursing Home who are unable to fund the full cost of their residential nursing care. It is anticipated that this support will continue going forward and that the full year of income in 2022 will allow the Charitable company to achieve its objective of a modest surplus.

Reserves

The trustees current policy is that the free reserves are the unrestricted funds not invested in fixed assets. The trustees consider that the free reserves deficit at 30 September 2021, which amounts to £23,654 is satisfactory given that the Charitable company is supported by its parent charity, The Minchinhampton Centre for the Elderly.

The Trustees consider that due to high level of retained reserves represented in cash and investments held by the parent charity, there are sufficient funds to maintain working capital. The continued support of the parent charity and a return to normal operations of the Dr Booth Day Centre is expected to allow the Charitable company to return to a surplus position.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The external risks to funding are reduced by the diversification of the charity's funding sources. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects. The trustees consider that by aiming to ensure a consistently high level of professionalism from a well trained staff reduces the risk of failure in the standard of care delivered. All procedures are periodically checked to ensure that they continue to meet the needs of the charity.

Going concern

The trustees have reviewed the reserves of the charity and have given full consideration to the financial impact of the Covid 19 Coronavirus. We took a cautious step in not introducing new residents through the period that testing for the virus was unavailable. Demand for the services that Horsfall House provides is undiminished and now that we can undertake tests on new residents, allied to strict risk assessments, they are now being accepted into the Home.

The trustees consider that this combined with the high level of retained reserves represented in cash and investments held by the parent charity, The Minchinhampton Centre for the Elderly, that there are sufficient funds to maintain working capital and accordingly it is appropriate to prepare the financial statements on a going concern basis.

Plans for the future

The trustees intend to continue to improve the facilities within Horsfall House. The trustees will continue to place high importance on staff training and believe that, due to the training that has been carried out in recent years, the staff at Horsfall House offer a much higher level of expertise than is generally available in other care homes.

Structure, governance and management

The charity is a company limited by guarantee with no share capital (Company registration no: 2770415). The company is registered as a charity with the Charity Commission (Charity registration no: 1083810.)

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C Fisher

C Price

S Moreland

A Lane

(Resigned 3 March 2022)

Lady de Clifford

M Lewis

(Appointed 18 December 2020)

D Buy

(Appointed 18 December 2020)

Recruitment and appointment of trustees

The trustees are appointed either by resolution of the directors or by ordinary resolution (requiring a simple majority) of the company's members subject to a requirement that any new appointee be approved by a majority of the existing trustees and to a special notice requirement. There is presently no maximum number of trustees, but there is a requirement that there should be no less than four. One third of the directors are required to retire at each annual general meeting, being those who have been longest in office since their last appointment or reappointment, but they may offer themselves for reappointment. The names of those who were trustees at any point during the year are disclosed above.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The day to day management of the charity is delegated to the Operations Director, Clinical Director, Home Care manager and Day Centre Manager.

The board aims to have quarterly meetings and major decisions affecting the charity are passed on a majority vote of those present. The management accounts preparation is undertaken by an experienced management accountant and the accounts are presented at the board meeting.

The board is elected at the Annual General Meeting and all Trustees are briefed on their responsibilities as Trustees prior to their acceptance of the role.

The trustees are responsible for providing training, where this is necessary, to new trustees so that they are equipped to fulfil their duties properly.

Relationship with related parties

During the year the Charitable company received £222,348 (2020 - Nil) from its parent charity giving financial support to residents of the Nursing Home who are unable to fund the full cost of their residential nursing care.

For administrative reasons the property comprising the land and buildings known as Horsfall House (together comprised in Land Registry Title Nos. GR132825, GR184300 and GR353447) was re-registered in the name of Minchinhampton Centre for the Elderly Limited and, pursuant to a Declaration of Trust dated 9 June 2011, is now held on trust for The Minchinhampton Centre for the Elderly (Charity number 287479) absolutely.

Accordingly, the property is included in the accounts of the Charity Group only and there is a annual rental charge raised to Minchinhampton Centre for The Elderly Limited that totalled to £146,824 for the year ended 30 September 2021 (2020: £140,238)

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2021*

Statement of trustees' responsibilities

The trustees, who are also the directors of Minchinhampton Centre for the Elderly Limited for the purpose of company law, 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).

Company Law 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 charitable company 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; 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

C Fisher

Trustee

Dated: 29 September 2022

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

Opinion

We have audited the financial statements of Minchinhampton Centre for the Elderly Limited (the 'charity') for the year ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (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, who are also the directors of the charity for the purpose 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 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 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 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.

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.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

Extent to which the audit was considered 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Azets Audit Services

30 September 2022

**Chartered Accountants
Statutory Auditor**

Epsilon House
The Square
Gloucester Business Park
Gloucester
United Kingdom
GL3 4AD

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Donations and legacies	3	175,474	118,766
Charitable activities	4	3,152,061	3,280,884
Investments	5	1,212	-
Total income		3,328,747	3,399,650
<u>Expenditure on:</u>			
Charitable activities	6	3,419,027	3,624,989
Net expenditure for the year/ Net movement in funds		(90,280)	(225,339)
Fund balances at 1 October 2020		66,626	291,965
Fund balances at 30 September 2021		(23,654)	66,626

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Stocks	13	10,567		10,019	
Debtors	14	204,576		245,129	
Cash at bank and in hand		210,648		258,294	
		<u>425,791</u>		<u>513,442</u>	
Creditors: amounts falling due within one year	15	<u>(449,445)</u>		<u>(446,816)</u>	
Net current (liabilities)/assets			(23,654)		66,626
Income funds					
Unrestricted funds			(23,654)		66,626
			<u>(23,654)</u>		<u>66,626</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29 September 2022

C Fisher
Trustee

Company Registration No. 02770415

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(48,858)		57,247
Investing activities					
Investment income received		1,212		-	
Net cash generated from/(used in) investing activities			1,212		-
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(47,646)		57,247
Cash and cash equivalents at beginning of year			258,294		201,047
Cash and cash equivalents at end of year			210,648		258,294

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Charity information

Minchinhampton Centre for the Elderly Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Horsfall house, Windmill Road, Minchinhampton, Gloucestershire, GL6 9EY, United Kingdom.

The charitable company's registered number can be found on the Legal and Administrative Information page.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees consider given the high level of retained reserves represented in cash and investments held by the parent charity, Minchinhampton Centre for the Elderly, that there are sufficient funds to maintain working capital and accordingly it is appropriate to prepare the financial statements on a going concern basis.

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

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.

Cash donations are recognised on receipt. Other 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.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

1.5 Resources expended

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the financial statements.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

1.12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity'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.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	50,000	-
Grants receivable	125,474	118,766
	175,474	118,766
Grants receivable for core activities		
Infection control grant	82,076	79,385
Coronavirus job retention scheme	1,135	9,204
Other Covid related grants	42,263	30,177
	125,474	118,766

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Charitable activities

	Nursing home	Day centre & non-residential services	Homecare	Voluntary fee top up	Other income	Total 2021	Total 2020
	2021	2021	2021	2021	2021	£	£
	£	£	£	£	£	£	£
Income from charitable activities	2,163,622	66,192	699,054	222,348	845	3,152,061	3,280,884

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Charitable activities

(Continued)

For the year ended 30 September 2020

	Nursing home	Day centre & non-residential services	Homecare	Other income	Total 2020
	£	£	£	£	£
Income from charitable activities	2,323,483	107,825	847,561	2,015	3,280,884
Analysis by fund					
Unrestricted funds	2,323,483	107,825	847,561	2,015	3,280,884

5 Investments

	Unrestricted funds	Total
	2021 £	2020 £
Interest receivable	1,212	-

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Charitable activities

	2021 £	2020 £
Staff costs	2,606,574	2,631,802
Agency staff	41,617	204,437
Catering	80,231	95,958
Cleaning & hygiene	87,813	97,456
Utilities	67,697	60,294
Rent	146,823	140,238
Insurance	19,007	18,569
Repairs & maintenance	87,212	87,697
IT & telephony	53,797	51,723
Travel & motor expenses	64,935	79,123
Advertising, recruitment & training	22,230	19,473
Office expenses	23,950	20,833
Equipment hire	28,418	27,600
Other direct costs	64,768	63,837
	<u>3,395,072</u>	<u>3,599,040</u>
Share of governance costs (see note 7)	23,955	25,949
	<u>3,419,027</u>	<u>3,624,989</u>

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	7,330	7,330	-	8,016	8,016
Legal and professional	-	16,625	16,625	-	15,746	15,746
Other governance costs	-	-	-	-	2,187	2,187
	<u>-</u>	<u>23,955</u>	<u>23,955</u>	<u>-</u>	<u>25,949</u>	<u>25,949</u>
Analysed between						
Charitable activities	-	23,955	23,955	-	25,949	25,949
	<u>-</u>	<u>23,955</u>	<u>23,955</u>	<u>-</u>	<u>25,949</u>	<u>25,949</u>

8 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	7,330	8,016
Operating lease charges	146,823	140,238
	<u>154,153</u>	<u>148,254</u>

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:	2021	2020
	£	£
Audit of the charity's annual accounts	7,330	8,016

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Care, domestic and administration staff	145	148

Employment costs	2021	2020
	£	£
Wages and salaries	2,400,449	2,430,856
Social security costs	165,873	159,648
Other pension costs	40,252	41,298
	2,606,574	2,631,802

The number of employees whose annual remuneration was £60,000 or more were:

	2021	2020
	Number	Number
£70,000 - £80,000	1	1

12 Tangible fixed assets

For administrative reasons the property comprising the land and buildings known as Horsfall House (together comprised in Land Registry Title Nos. GR132825, GR184300 and GR353447) was re-registered in the name of Minchinhampton Centre for the Elderly Limited and, pursuant to a Declaration of Trust dated 9 June 2011, is now held on trust for The Minchinhampton Centre for the Elderly (Charity number 287479) absolutely. Accordingly, the property is included in the accounts of the Charity Group only.

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Stocks

	2021 £	2020 £
Catering, cleaning & medical supplies	10,567	10,019

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	129,241	174,070
Prepayments and accrued income	75,335	71,059
	204,576	245,129

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		43,062	44,392
Deferred income		87,858	102,055
Trade creditors		41,916	62,328
Amount owed to parent undertaking		130,980	84,894
Other creditors		40,424	-
Accruals		105,205	153,147
		449,445	446,816

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Deferred income at 1 October	102,055	86,952
Resources deferred during the year	87,858	102,055
Amounts released from previous years	(102,055)	(86,952)
Deferred income at 30 September	87,858	102,055

Income received during the period specific to funding for future periods has been deferred accordingly. At the balance sheet date, the charitable company was holding funds received in advance for 2020/21 in respect of nursing home fees (2020: nursing home fees).

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £40,252 (2020 - £41,298).

17 Unrestricted funds

	Movement in funds				Movement in funds		
	Balance at 1 October 2019	Incoming resources	Resources expended	Balance at 1 October 2020	Incoming resources	Resources expended	Balance at 30 September 2021
	£	£	£	£	£	£	£
Unrestricted funds	291,965	3,399,650	(3,624,989)	66,626	3,328,747	(3,419,027)	(23,654)
	<u>291,965</u>	<u>3,399,650</u>	<u>(3,624,989)</u>	<u>66,626</u>	<u>3,328,747</u>	<u>(3,419,027)</u>	<u>(23,654)</u>

18 Financial commitments, guarantees and contingent liabilities

The charitable company has an informal agreement with its parent charity, The Minchinhampton Centre for the Elderly, to lease the property known as Horsfall House. Rentals payable in the period are disclosed in the Related party transactions note.

Other than operating lease commitments referred to below, the charitable company has no other financial commitments, guarantees or contingent liabilities (2020 - £nil).

19 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	7,704	109,325
Between two and five years	24,113	1,128
	<u>31,817</u>	<u>110,453</u>

20 Related party transactions

MINCHINHAMPTON CENTRE FOR THE ELDERLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

20 Related party transactions

(Continued)

During the year, the company paid rent of £105,000 (2020: £105,000) and an asset usage charge of £41,823 (2020: £35,238) to its parent undertaking, The Minchinhampton Centre for the Elderly, a registered charity. At the balance sheet date amounts owed to the parent charity totalled £130,980 (2020: £84,894). The company also makes use of various other fixtures, fittings and equipment which are owned by its parent charity.

Income includes amounts totalling £222,348 (2020: Nil) from its parent charity in respect of the charity providing financial support to residents of the Nursing Home who are unable to fund the full cost of their residential nursing care.

21 Parent charity

The ultimate controlling party is the parent charity, The Minchinhampton Centre for the Elderly, and its principal address is Horsfall House, Windmill Road, Minchinhampton, Gloucestershire, GL6 9EY.

22 Cash generated from operations

	2021 £	2020 £
Deficit for the year	(90,280)	(225,339)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,212)	-
Movements in working capital:		
(Increase) in stocks	(548)	(2,066)
Decrease in debtors	40,553	153,261
Increase in creditors	16,826	29,336
(Decrease)/increase in deferred income	(14,197)	102,055
Cash (absorbed by)/generated from operations	(48,858)	57,247

23 Analysis of changes in net funds

The charity had no debt during the year.