

CASTEL FROMA NEURO CARE LIMITED

England & Wales · Charity number 1100965

Details

Other names CASTEL FROMA

Status Registered

Legal form Charitable company

Company number [04777559](#)

Registered 2003-12-01

Register [View on the Charity Commission register](#)

Contact

Address Lillington House
93 Lillington Road
Leamington Spa
CV32 6LL

Phone 01926427216

Email info@castelfroma.org.uk

Website www.castelfroma.org.uk

Activities

Objects: TO RELIEVE PERSONS WITH PHYSICAL DISABILITIES BY THE PROVISION OF CARE.

Activities: The principal activity of the charity is the provision of high standard nursing care and accommodation for individuals with neurological conditions who have complex needs. The charity operates two care centres based in Leamington Spa, Warwickshire providing 24 hour care and accommodation.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** People With Disabilities

Geography

- **Area of benefit:** NATIONAL
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£9,379,311	£9,969,926	£9,659,885	217
2024-03-31	£8,974,832	£9,218,987	£10,250,500	181
2023-03-31	£7,945,782	£8,615,382	£10,537,401	205
2022-03-31	£7,397,896	£7,748,943	£11,122,910	196
2021-03-31	£7,849,406	£8,547,649	£11,476,914	205

Trustees

Name	Role	Appointed
Caroline Wilson		2020-07-07
DAVID LEIGH-HUNT		2016-07-28
GRAHAM MURRELL		2013-04-17
JOHN EVISON		2013-04-17
Lesley Mary Holiday		2015-01-29
Sarah Jane Heales		2024-10-08
Stephanie Kate Seeley		2024-04-08

Linked charities

- ROYAL MIDLAND COUNTIES HOME FOR THE DISABLED (1100965-1)

CASTEL FROMA NEURO CARE LIMITED

England & Wales - Charity number 1100965

Accounts

**CASTEL FROMA NEURO CARE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

CHARITY NUMBER 1100965

COMPANY NUMBER 04777559

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

CHAIR'S REPORT

Castel Froma Neuro Care Limited is a charitable company limited by guarantee operating two care centres in South Warwickshire, Lillington House and Helen Ley House. From these two locations the charity provided quality treatment, rehabilitation and therapeutic facilities for people with complex conditions ranging from brain injuries to multiple sclerosis, motor neurone, Parkinson's and Huntington's diseases.

Providing care at the level our residents need is expensive. We achieved an income in the financial year 2024-25 of £9 million, predominantly from fees paid by the NHS and other public sector and private sources. This sum also includes donations and legacies of more than £90,000.

The healthcare sector in the UK remains under considerable financial pressure. Ensuring our residents remain appropriately funded is an ongoing challenge at a time when we face considerable rising operating costs. The lag in fee increases to reflect increased costs led to a deficit for the year of more than £590,000. The trustees and management are determined to stem operating at a deficit. We are pursuing a strategy of working towards realistic fee levels whilst also ensuring that costs are actively managed.

The year was very busy, and focussed on achieving our goal of continuing to provide a relevant and essential service. In August 2024 we began a review of our services to ensure that our provision aligns to resident needs and funder expectations, details of which can be found on our website: <https://castelfroma.org.uk/castel-froma-neuro-care-reviews-facilities-to-focus-on-restoration-prevention-and-quality-of-life/>.

In January 2025 The Care Quality Commission gave approval for the charity to start using a newly completed extension at Helen Ley House comprising of eight new rooms, all with ensuite facilities. The review and creation of more capacity at Helen Ley House combined, enabled the Trustees to make the decision in February 2025 to sell an ageing part the Lillington House site that is costly to maintain and outdated for our needs.

Castel Froma Neuro Care Limited anticipates that the sale will help the charity to generate funds to launch new services, with a new 'community hub' in retained grounds at the Lillington House site, where patients living with neurological conditions and brain injuries in the community can more easily access services. Further details can be found on the charity's website: <https://castelfroma.org.uk/midlands-health-charity-to-develop-exciting-new-community-space/>.

The work of the charity is only made possible by the efforts and goodwill of the staff and also many individuals who give their time freely in many different ways to offer support. This is very much appreciated. Finally, I wish to thank my fellow trustees for their continued dedication and support of Castel Froma Neuro Care Limited.



----- F7596035-DADA-32A5-1AD4-8BDE4286310C -----

Caroline Wilson
Chair of Trustees
23 December 2025

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (Including Directors' and Strategic Report)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees are pleased to present their annual report together with the audited financial statements of the charity for the year ended 31 March 2025, which are also prepared to meet the requirements for the strategic and directors' report and accounts for Companies Act purposes. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

On 1 April 2011 Castel Froma (as the charity was then known) merged with Royal Midland Counties Home for the Disabled, a charity under common control. Royal Midland Counties Home for the Disabled remains a separate charity, placed under a Uniting Direction with Castel Froma. On 1 April 2011 the expendable assets of Royal Midland Counties Home for the Disabled were transferred to Castel Froma and the permanent endowment was placed under the protection of the Trustees of Castel Froma. The following financial statements report the combined performance and financial position of Castel Froma and Royal Midland Counties Home for the Disabled.

Reference and administrative information

Castel Froma Neuro Care Limited:-

Registered charity number	1100965
Registered company number	04777559

Country of incorporation	England
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Royal Midland Counties Home for the

Disabled registered charity number (Linked charity)	1100965-1
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Registered office	93 Lillington Road Leamington Spa Warwickshire CV32 6LL
Auditors	HB&O Ltd Chartered Accountants and Statutory Auditor Highdown House, 11 Highdown Road Leamington Spa CV31 1XT

Bankers	Lloyds Bank 73 The Parade Leamington Spa CV32 4BB
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Solicitors	HCR Wright Hassall LLP Olympus Avenue Leamington Spa CV34 6BF
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	HCR Legal LLP Ellenborough House Wellington Street Cheltenham GL50 1YD
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CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

Directors and trustees and officials

President	12 th Earl of Aylesford
Patron	Mr T Cox, Her Majesty's Lord Lieutenant of Warwickshire
Vice-President	Mrs D Dowdeswell OBE
Trustees	Dr C Wilson (Chair) Mr G Murrell (Vice-Chair) Mr S J Nicklin Mrs L Holiday Mr D Leigh-Hunt Dr D Stableforth Mr J Evison Dr S K Seeley (appointed 8 April 2024) Ms S J Heales (appointed 8 October 2024)
Ex-Officio	The Chairman of Warwick District Council His Worship the Mayor of Royal Leamington Spa
Senior Management Team	Mrs M Bawden (Chief Executive & Nominated individual) Mrs E Jackson (Deputy Chief Executive) Mr A Albu (Registered Manager, Lillington House and Helen Ley House) Miss N Fyfe (Clinical Services Manager) Ms K Gates (Clinical Quality Improvement Manager)
Company Secretary	Mrs M Bawden
Care Standards Committee	Mrs L Holiday (Chair 1 April – 8 October 2024) Dr S K Seeley (Chair 8 October 2024 onwards) Dr C Wilson Mr G Murrell Mr S J Nicklin Mr D Leigh-Hunt (resigned 1 July 2024) Dr D Stableforth Mr J Evison Mrs S J Heales
Finance, Assets & Risk Committee (including profiling & fundraising)	Mr G Murrell (Chair) Dr C Wilson Mr S J Nicklin Mrs L Holiday Mr D Leigh-Hunt Dr D Stableforth Mr J Evison Dr S K Seeley Ms S J Heales
Remuneration Committee	Mr D Leigh-Hunt (Chair 1 April – 1 July 2024) Mr J Evison (Chair 1 July 2024 onwards) Dr C Wilson Mrs L Holiday (resigned 1 July 2024) Dr S K Seeley (appointed 1 July 2024) Mr S Nicklin Mr G Murrell

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Mission Statement

Day, respite and long-term residential care with 24-hour nursing care for those with neurological conditions

We run outstanding care and rehabilitation centres providing day, respite and long-term services for people disabled by neurological conditions.

Business Aims

- To provide the highest standard of nursing and care for individuals with neurological conditions who have complex needs;
- To bring together experts from every therapeutic field to help our residents live as full a life as possible;
- To integrate family, friends and the local community into the lives of our residents and provide a supportive environment for their carers;
- To excel in palliative and end of life care to help our residents live their last days as they would wish, free from pain and with as much dignity as possible;
- To extend our care beyond our centres, into the local community and onto a regional and national level;
- To operate within a financially and environmentally sustainable framework.

Principal activities

The principal activity of Castel Froma Neuro Care Limited is the provision of care and accommodation for severely physically disabled people. To achieve this objective the charity operates two registered care centres based at the following addresses:-

Lillington House
93 Lillington Road
Leamington Spa
Warwickshire
CV32 6LL

The Helen Ley Care Centre
Bericote Road
Blackdown
Leamington Spa
Warwickshire
CV32 6QP

The centres provide 24-hour nursing care, in addition to physiotherapy, occupational therapy, hydrotherapy, speech and language therapy, aromatherapy and reflexology.

The principal activity of Royal Midland Counties Home for the Disabled is to support Castel Froma Neuro Care Limited. The sale of approximately 1.5 acres of land in 2004 allowed Royal Midland Counties Home for the Disabled to invest a large sum of money in property. The monthly income has been allocated to projects in Castel Froma Neuro Care Limited for physically disabled people. All of the projects have directly benefited the residents.

Volunteers

In addition to approximately 217 paid employees, the charity also benefits from in excess of 1,000 hours of donated time each year. This figure includes time spent at the care centres by committee members, drivers and letter writers, who all participate in fundraising events, visit residents, and accompany them on excursions outside the care centre.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing instrument

Castel Froma Neuro Care Limited is a charitable company limited by guarantee, incorporated on 27 May 2003 and registered as a charity on 1 December 2003. The company was established under a Memorandum of Association, as amended by special resolutions of 7 November 2003 and 25 November 2010, which established the objects and powers of the company and is governed under its Articles of Association.

Royal Midland Counties Home for the Disabled is an unincorporated association set up under a Trust Deed dated 27th June 1884, as amended on 1st April 2011.

Organisation and structure

The overall management of the charity is carried out by the Chief Executive who is directly responsible to the trustees. All nursing and care staff report to the Registered Managers and all non-medical staff report to their relevant line manager. The members of the Senior Management Team comprise the Deputy Chief Executive, Registered Managers, Clinical Quality Improvement Manager and Clinical Services Manager, all of whom report to the Chief Executive.

Governance and internal control

The 'Board of Trustees' comprises the directors of the company. A list of those who served in these capacities during the period is set out on page 3. Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

A panel comprising existing committee members selects members of the three committees: the Care Standards Committee; the Finances, Assets and Risks Committee; and the Remuneration Committee. The trustees meet quarterly.

New trustees are elected by the 'Board of Trustees'. New trustees are inducted during their first trustees' meeting. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Pay policy for senior staff

The pay of the senior staff is reviewed by the Remuneration Committee (at least annually) and normally increased in line with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size. If recruitment has proven difficult in the recent past a market addition may also be paid.

Plans for the future

In January 2025 the extension at Helen Ley became operational and has provided an additional eight en-suite bedrooms at that site. The extension forms part of a wider review by the trustees of the charity's premises in the context of the need for the charity to align its care services with changes in modern healthcare services, including an increased focus on rehabilitation.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Achievements and performance

2024-25 was another extremely challenging year as the charity, like many in the sector, was dealing with significant inflationary pressures in the economy, including an increase in employers' National Insurance, that were in part exacerbated by a volatile political environment around the world.

We continue to strive to provide a high standard of care for all of our residents at both sites. To this end, we have where possible, maintained the number of hours each week in respect of physiotherapy, occupational therapy, psychology, dietician and speech and language therapy. The latest CQC inspection reports still assess both sites as 'Good'. The latest inspection at Helen Ley House was carried out in-person in January 2025 whilst the most recent inspection for Lillington House was a desktop review.

Financial review

Details of the financial position of the charity are set out in the attached financial statements. Income for the year totalled £9,379,311 and expenditure totalled £9,969,926. Net expenditure and the net movement in funds for the year totalled £590,615. Unrestricted reserves at the year-end amounted to £9,641,025 and these comprised general reserves of £2,821,415 and designated reserves of £6,819,610. Restricted reserves comprise the restricted reserves of Castel Froma Neuro Care Limited totalling £18,860.

During the year, the trustees consulted the Charity Commission and took appropriate legal advice to explore the possibility of the endowment fund, which at £4,250,000, represented the majority of the value of the site at Lillington House, being released from its restriction and transferred into unrestricted funds. This corresponds with the charity's longer-term aim to widen the extent of its services as detailed on page 8.

Legal advice was clear that the charity could proceed and accordingly, a transfer has been made to effect this. The endowment fund now has a value of £Nil and the general fund was increased by £2,388,000, being the anticipated realisable value of the sale of the relevant parts of the site, with the balance of £1,862,000 transferred into designated funds.

Investment policy

The charity's investments are held in accordance with the trustees' powers. The trustees had previously considered the most appropriate policy for investing the funds and found that a mixture of property investment and investment in a portfolio of equities had, at that time, met their requirements to generate both income and capital growth. Since the disposal of its remaining investments in 2024, there has been more focus on the charity ensuring that cash is available when needed.

Risk review

The trustees have put in place a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees continually review the adequacy of the charity's current internal controls. The trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

The trustees have conducted their own review of the major risks to which the charity is exposed, and systems have been implemented to mitigate those risks. The significant external risks to the charity are noted within the key risks identified below and include the key financial risk of the charity not meeting its budget. Internal risks are minimised by the implementation of internal control procedures for authorisation of transactions and projects and through staff development. These procedures are reviewed periodically to ensure they still meet the needs of the charity.

The key risks as identified by the trustees include:

- Residents' fees as awarded by Commissioners not keeping pace with inflation and the ensuing difficulty in achieving a balanced budget, given the requirement to meet and maintain the charity's reputation and commitment to care standards;
- Delayed settlements from debtors, leading to an adverse impact on cash flow and a resultant delay in settlements to suppliers.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Reserves policy

The trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation and have established a policy whereby sufficient unrestricted reserves are retained in order to meet unforeseen increased working capital requirements at a level equal to at least six months' operating expenditure. In April 2021, the trustees further clarified the reserves policy with an additional aim to hold a level of reserves in liquid assets such as cash deposits or investment funds of at least three months' operating expenditure. The policy was reviewed again in 2025 and is still considered to be appropriate.

The strategy of the trustees is guided by the following principles:

- To build reserves through planned operating surpluses;
- To review the policy regularly in the light of financial performance and any changes in risk assessment;
- To apply this policy in conjunction with the investment policy, to enable a proportion of the reserve to be invested; and
- To limit the ability of the charity to draw from its reserves by only authorising the Chief Executive or Chair of the Trustees to effect such a drawdown, with an obligation to report and such withdrawal to the Board.

Following the legal advice taken regarding the status of the endowment fund and the transfer effected from that fund, the level of unrestricted reserves at the year-end was £9,641,025, of which there was a designation of £6,819,610. This designated fund represents the majority of the net book value of the functional fixed assets of the charity and is therefore not deemed to be available to the charity for activities other than to which these assets are currently committed. The level of reserves available to the charity for unforeseen working capital requirements was therefore £2,821,415, which, at just over three months' operating expenditure, is short of the six months target, based upon current levels of activity and budgets for the forthcoming years. Liquid assets are also below target. However, as part of the trustees' wider strategic review of the charity's premises, the decision was taken to sell part of the site at Lillington House, and with firm offers in place, this is expected to generate cash of over £2.3million in 2026 (reflected in current assets in the balance sheet), hence the charity's liquidity position is considered to have considerably eased in the short to medium term. The trustees therefore consider that the current level of reserves is adequate for the charity to meet its objectives.

Valuation of properties

As part of the wider review of the charity's premises and the legal advice taken on the endowment fund, the charity obtained valuations of the Lillington House site towards the end of the financial year. The whole site was valued in the region of £4,500,000 and thus not deemed to be impaired when compared to its previous carrying value. Separate valuations were obtained for the elements of the site intended for marketing and resale and, with other modification costs factored into the offers made, £2,388,000 has been transferred from fixed assets to current assets.

As there has been significant further investment in Helen Ley House, since its last valuation, a fresh valuation will be considered in 2026 to ensure its carrying value remains appropriate. The trustees are satisfied that at the year end the site was not impaired and that its current carrying value is appropriate.

No adjustments were therefore made to the carrying values of the properties for the year ended 31 March 2025.

Fundraising

Whilst the charity does incur some expenditure in respect of fundraising activities, including professional fees for a third-party agent in respect of corporate charity donations, these are considered to be on a small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the charity is not registered with the Fundraising Regulator, although the trustees will keep the situation under review.

The trustees would like to acknowledge their sincere gratitude for the donations in the year from: The Edward Cadbury Trust, W A Cadbury Trust and The Rowlands Trust. The majority of these donations were to supply furniture and equipment for the Helen Ley extension.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF PUBLIC BENEFIT

The trustees are mindful of the need to demonstrate public benefit in the operation of both Royal Midland Counties Home for the Disabled (RMCHD) and Castel Froma Neuro Care Limited. For many years the charity had operated at a trading loss and had been wholly dependent upon RMCHD to provide substantial donations in order to keep the charity running. The trustees are now pursuing a strategy of maintaining realistic fee levels whilst also ensuring that costs are actively managed, which has started to produce financial stability for the charity.

The trustees have duly considered the Charity Commission's published guidance on public benefit requirements under the Charities Act 2011.

As such, the trustees carry out those objects and activities by contracting with, amongst others, NHS England and various Integrated Care Boards to provide:-

- Rehabilitation of individuals following catastrophic brain traumas; and
- Continuing specialist and complex care for individuals with ongoing brain related traumas and physical disabilities.

As a result of this, the charity is deemed to demonstrate a public benefit in assisting the NHS and other public bodies by offering a more tailored solution to these individuals whose complex and often long-term care needs would otherwise place a significant burden on publicly funded resources and facilities.

Furthermore, in common with other charities in the care sector, the fees charged to residents are based on a structure of cost recovery that extends only to direct care costs and ancillary overheads, but which excludes a charge for room rental. As such the charity is considered to offer a demonstrable public benefit to residents, their families and wider society in providing this service within the context of its overall care obligations.

The charity is open to all who may benefit from the highly intensive services offered at Castel Froma Neuro Care Limited. We know we could do more and that is why we are seeking to provide more appropriate facilities and surroundings to support the more complex needs we need to meet. A broader range of services is contemplated which would offer further support to those needing the specialised service we offer. This approach is entirely driven by the charity's objective of relieving persons with physical disabilities by the provision of care.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2025

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors of Castel Froma Neuro Care Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2019 (FRS 102);
- 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;
- 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

HB&O Ltd have expressed their willingness to continue in the capacity of the company's auditors.

Approval of Strategic Report

In approving the Trustees' Annual Report we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the trustees on 23 December 2025 and signed on their behalf by:



FT595000-DADA-92A5-1AE3-08DE420031DC

Dr C Wilson
Chair of Trustees

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED

FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Castel Froma Neuro Care Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

CASTEL FROMA NEURO CARE LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2025

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CASTEL FROMA NEURO CARE LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2025

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/library/standards-codes-policy/audit-assurance-and-ethics/auditors-responsibilities-for-the-audit/>. This description forms part of our auditor's report.

Use of our report

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



Mark Ashfield BA FCA (Senior Statutory Auditor)
For and on behalf of HB&O Ltd
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

23 December 2025

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted Funds	Restricted and Endowment Funds	Total 2025	Total 2024
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	14,039	79,850	93,889	371,945
Charitable activities					
Operation of care centres:					
Residential fees	2	9,222,836	-	9,222,836	8,424,443
Investments	3	31,618	-	31,618	158,066
Other		30,968	-	30,968	20,378
Total income and endowments		<u>9,299,461</u>	<u>79,850</u>	<u>9,379,311</u>	<u>8,974,832</u>
Expenditure on:					
Raising funds	4	18,783	-	18,783	96,511
Charitable activities: Operation of care centres	9	9,931,910	19,233	9,951,143	9,122,476
Total expenditure		<u>9,950,693</u>	<u>19,233</u>	<u>9,969,926</u>	<u>9,218,987</u>
Net (expenditure)/ income	7	(651,232)	60,617	(590,615)	(244,155)
Transfers between funds	17	4,323,000	(4,323,000)	-	-
Other recognised gains/ (losses):					
Other gains/ (losses)	6	-	-	-	(42,746)
Net movement in funds		3,671,768	(4,262,383)	(590,615)	(286,901)
Reconciliation of funds					
Total fund balances brought forward at 1 April 2024	17	<u>5,969,257</u>	<u>4,281,243</u>	<u>10,250,500</u>	<u>10,537,401</u>
Total fund balances carried forward at 31 March 2025	17	<u><u>9,641,025</u></u>	<u><u>18,860</u></u>	<u><u>9,659,885</u></u>	<u><u>10,250,500</u></u>

All income and expenditure derive from continuing activities.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

BALANCE SHEET AS AT 31 MARCH 2025

		2025	2024
		£	£
	Note		
Fixed assets			
Tangible assets	10	6,829,167	8,896,076
		6,829,167	8,896,076
Current assets			
Stock and assets held for resale	11	2,435,068	39,195
Debtors	12	459,187	709,269
Cash at bank and in hand		659,432	1,426,642
		3,553,687	2,175,106
Creditors : amounts falling due within one year	13	(722,969)	(820,682)
Net current assets		2,830,718	1,354,424
Total assets less current liabilities and net assets		9,659,885	10,250,500
Unrestricted funds			
General funds			
General	17	2,821,415	1,339,473
Total General funds		2,821,415	1,339,473
Designated funds	17	6,819,610	4,629,784
		9,641,025	5,969,257
Restricted funds	17	18,860	31,243
Endowment fund	17	-	4,250,000
(held by Castel Froma Neuro Care Ltd as a trustee of RMCHD)			
Total funds		9,659,885	10,250,500

These accounts were approved by the Board of Trustees on 23 December 2025 and signed on its behalf by



FT590000-DADA-92A5-1AE4-08DE420001DC

DR C WILSON

Chair

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £	
Cash (used in)/ provided by operating activities	1	(277,031)	60,599	
Cash flows from investing activities				
Payments to acquire tangible fixed assets		(540,400)	(983,888)	
Receipts from disposal of fixed asset investments		-	2,864,838	
Receipts from disposal of fixed assets		18,603	-	
Interest received		12,228	7,354	
Rents received		19,390	150,712	
Cash (used in)/ provided by investing activities		(490,179)	2,039,016	
Cash flows from financing activities				
New loans advanced		-	507,500	
Repayment of loans		-	(1,462,807)	
Interest paid		-	(47,745)	
Cash used in financing activities		-	(1,003,052)	
(Decrease)/ increase in cash and cash equivalents		(767,210)	1,096,563	
Cash and cash equivalents at 1 April		1,426,642	330,079	
Cash and cash equivalents at 31 March		659,432	1,426,642	
Cash and cash equivalents consists of:				
Cash and cash equivalents at 31 March		659,432	1,426,642	
Analysis of changes in net funds				
	At 1 April 2024 £	Cash Flows £	Non-cash Changes £	At 31 March 2025 £
Cash and cash equivalents	1,426,642	(767,210)	-	659,432
Total net funds	1,426,642	(767,210)	-	659,432

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2025

1. Reconciliation of net movement in funds to net cash flow from operating activities

	2025	2024
	£	£
Net movement in funds	(590,615)	(286,901)
Rents received	(19,390)	(150,712)
Interest receivable	(12,228)	(7,354)
Interest payable	-	47,745
Depreciation of tangible fixed assets	212,706	258,541
Profit on disposal of tangible fixed assets	(12,000)	-
(Gains)/ losses on investments and investment property	-	42,746
(Increase)/decrease in stock	(7,873)	55,102
Decrease/(increase) in debtors	250,082	(155,973)
(Decrease)/ increase in creditors	(97,713)	257,405
Net cash (used in)/ provided by operating activities	<u>(277,031)</u>	<u>60,599</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below as follows. These policies have been consistently applied unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Castel Froma Neuro Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are presented in sterling, which is the functional currency of the charitable company and rounded to the nearest £.

b) Preparation of the accounts on a going concern basis

The charity reported an adverse net movement in funds of £590,615. However, it should be noted that this performance was again in the context of stubborn inflationary pressures in what has continued to be a volatile economic and political environment. The trustees consider that the charity's future plans, which will include a focus on rehabilitation and care of clinically complex cases combined with an ongoing review of premises, will result in an overall reduction in expenditure as a percentage of income. The forecasts for operating cash flows, in particular with the imminent sale of part of the Lillington House site, together with the level of reserves, suggest that the charity's future is secured for at least 12 months following the authorisation of these accounts. Accordingly, on this basis the trustees consider that no material uncertainties exist and that the charitable company is therefore a going concern.

c) Income

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

Income from government and other grants, whether "capital" grants or "revenue" 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 and is not deferred.

For legacies, entitlement is the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of any care services provided is deferred until the criteria for income recognition are met (see note 13).

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

1 Principal accounting policies (continued)

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from investment property is accounted for on a straight-line basis over the period of the lease.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

e) Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise property management fees and property related interest and costs; and staff and professional fees associated with raising funds.
- Expenditure on charitable activities includes the costs associated with the provision of care and accommodation for severely physically disabled people and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Support costs

Support costs are those functions that assist the work of the charity but do not directly represent charitable activities and include office costs, finance, personnel, payroll and governance costs. Where support costs cannot be directly attributed to particular headings, they have been allocated to the cost of raising funds and expenditure on charitable activities. Costs are allocated to activities based on a relevant indicator for use of resources (e.g. staff allocated by activity; floor area of building; equipment allocated by activity). The bases on which support costs have been allocated are set out in note 9.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

1 Principal accounting policies (continued)

g) Leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

h) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and buildings	0% p.a.
Motor vehicles	25% p.a. reducing balance
Fixtures, fittings and equipment	15%, p.a., 20% p.a. and 33.3% p.a. straight line

Freehold land and buildings are not depreciated as the charity maintains the properties to a high standard and their residual values are regularly measured on the basis of fair value and reinstatement cost as a means to assess their carrying values in the financial statements. This informs an annual impairment review, which is undertaken to establish the recoverable value of all properties.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA.

i) Stock and assets held for resale

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Cost includes all costs of purchase and other costs incurred in bringing stock to its present location and condition.

Property held for resale is shown within stock at a current market value which is expected to be realised.

j) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

k) Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

1 Principal accounting policies (continued)

l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

m) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

n) Company status and general information

The charity is a private company incorporated in England and Wales and is limited by guarantee, with no share capital. The members of the company include the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office and registered numbers of the company and charity are shown in the charity information on page 2 of these financial statements.

o) Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS 102, the charity must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual financial statements. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. The trustees do not consider any of the estimates or judgements applied to be significant to the financial statements.

2 Income and endowments

Income from donations and legacies was £93,889 (2024: £371,945) of which £79,850 (2024: £27,853) was attributable to restricted funds and £14,039 (2024: £344,092) was attributable to unrestricted funds.

Income from charitable activities was £9,222,836 (2024: £8,424,443) all of which was attributable to unrestricted funds and related to the provision of care services.

3 Investment income

	2025	2024
	£	£
Rental income and income under operating leases	19,390	150,712
Interest and dividend income	12,228	7,354
	<u>31,618</u>	<u>158,066</u>

All investment income in the current and prior years was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

4 Expenditure on raising funds

	2025	2024
	£	£
Professional fees for direct fundraising costs	18,783	23,479
Professional fees for investing activities	-	708
Property management fees and repairs	-	15,529
Tenancy agreement and valuation	-	9,050
Bank loan interest	-	47,745
	<u>18,783</u>	<u>96,511</u>

Of the expenditure on raising funds above, only £18,783 (2024: £23,479) related directly to donations and legacy income in the financial statements. Other expenditure is associated with professional and property management fees in respect of fixed asset investments and investment property; and the cost of servicing the secured loans, which were fully discharged in 2024.

All expenditure on raising funds in the current and prior year was attributable to unrestricted funds.

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2025	2024
	£	£
Wages and salaries	6,958,805	6,272,885
Social security costs	607,127	512,238
Pensions	133,212	114,699
	<u>7,699,144</u>	<u>6,899,822</u>

Wages and salaries include agency and bought in staff costs totalling £358,963 (2024: £462,666). The trustees neither received nor waived any remuneration during the year (2024: £Nil). No trustee was reimbursed expenses during the current or prior year.

The number of staff whose emoluments fell within the following bands was as follows:-	No.	No.
£60,001 to £70,000	3	3
£70,001 to £80,000	1	2
£80,001 to £90,000	-	1
£90,001 to £100,000	2	1
£110,001 to £120,000	-	2
£120,001 to £130,000	2	-

Eight (2024: Nine) employees earning over £60,000 were accruing retirement benefits under a defined contribution scheme. In the year, employer contributions of £18,127 (2024: £15,010) were made in respect of these employees.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The average monthly headcount was 217 staff (2024: 206 staff) and the average monthly number of full-time equivalent employees (including part time staff) during the year was:

	2025	2024
	No.	No.
Management	4	4
Administration	7	6
Nursing	33	32
Ancillary care	108	96
Therapy	25	24
Housekeeping	13	14
Services	5	5
	<u>195</u>	<u>181</u>

The key management of the charity comprise the Trustees, the Chief Executive and nominated individual, the Deputy Chief Executive and the Clinical Managers. The total employee benefits of the key management personnel of the charity were as follows:

	2025	2024
	£	£
Key management employee benefits	<u>460,637</u>	<u>417,741</u>

6 Other gains and losses

Other gains and losses include realised losses of £nil (2024: £1,247) in respect of listed investments.

Additionally, a realised loss of £nil (2024: £41,499) has been recognised on the charitable company's investment property.

7 Net expenditure

	2025	2024
	£	£
Net (expenditure)/ income is stated after charging/ (crediting):-		
Other operating leases and equipment hire	26,166	27,018
Depreciation – owned assets	212,706	258,541
Profit on disposal of fixed assets	(12,000)	-
Income from operating lease arrangements	-	(126,938)
Auditors' remuneration	<u>15,000</u>	<u>15,000</u>

8 Interest payable

	2025	2024
	£	£
Bank loan Interest	<u>-</u>	<u>47,745</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

9 Analysis of expenditure on charitable activities

	Operation of Care centres	Therapies	Total 2025	Total 2024
	£	£	£	£
Staff	5,575,391	934,973	6,510,364	5,711,042
Rent & rates	33,490	5,004	38,494	36,930
Light, heat & power	233,398	34,876	268,274	272,486
Supplies (medical, catering & cleaning)	524,145	78,320	602,465	611,775
Repairs & maintenance	226,486	33,843	260,329	255,907
Training	31,631	4,726	36,357	23,247
Subscriptions	76,705	11,462	88,167	71,877
Motor & travelling expenses	15,794	2,360	18,154	11,531
Insurance	104,734	15,650	120,384	122,333
Bank charges & interest	380	-	380	16,321
Depreciation	191,435	21,271	212,706	258,541
General expenses	149,824	21,917	171,741	118,874
	<u>7,163,413</u>	<u>1,164,402</u>	<u>8,327,815</u>	<u>7,510,864</u>

Allocation of support and governance costs to activities	Operation of Care centres	Total 2025	Total 2024
	£	£	£
Wages and salaries & related costs (allocated on time)	1,062,602	1,062,602	1,070,764
General (pro rata to staff full time equivalent)	162,919	162,919	163,810
Legal and other professional fees	<u>164,309</u>	<u>164,309</u>	<u>153,582</u>
Support costs	1,389,830	1,389,830	1,388,156
Governance costs (allocated on time)	233,498	233,498	223,456
Direct costs		8,327,815	7,510,864
Total costs relating to the operation of the care centres		<u>9,951,143</u>	<u>9,122,476</u>

Governance costs comprise the following:-

	2025	2024
	£	£
Staff costs	126,178	118,016
Legal and professional fees	107,320	105,440
	<u>233,498</u>	<u>223,456</u>

Expenditure on charitable activities was £9,951,143 (2024: £9,122,476) of which £19,233 (2024: £20,265) was attributable to restricted funds and £9,931,910 (2024: £9,102,211) was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

10 Tangible fixed assets	Freehold land & buildings	Motor Vehicles	Fixtures fittings & equipment	Total
Cost or valuation	£	£	£	£
At 1 April 2024	8,801,026	158,116	4,758,479	13,717,621
Additions	216,844	-	323,556	540,400
Disposals	-	(58,988)	-	(58,988)
Transfer	(2,388,000)	-	-	(2,388,000)
At 31 March 2025	6,629,870	99,128	5,082,035	11,811,033
Depreciation				
At 1 April 2024	510,420	141,416	4,169,709	4,821,545
Charge for the period	-	2,855	209,851	212,706
Disposals	-	(52,385)	-	(52,385)
At 31 March 2025	510,420	91,886	4,379,560	4,981,866
Net book value				
At 31 March 2025	6,119,450	7,242	702,475	6,829,167
At 31 March 2024	8,290,606	16,700	588,770	8,896,076

Freehold land and buildings comprise the sites at Lillington Road (Lillington House) which, following a transfer of part of the site to stock, has a remaining carrying value of £1,889,535; and at Bericote Lane (Helen Ley House) with a carrying value of £4,229,915.

Lillington House was valued towards the end of 2024 by Wareing & Company, with the whole site being assessed as having a realisable value of £4,500,000, in excess of its previous carrying value. The transfer of £2,388,000 to current assets in note 11 represents the amounts for which the charity has offers pending and subject to completion, following the marketing of these elements for resale.

Helen Ley House was last formally valued in the year to 31 March 2021 by Wareing & Company and with subsequent extension work since then, is set for a reassessment of its valuation in the year to 31 March 2026.

If freehold land and buildings had not been revalued, they would have been included at a historical cost of £3,557,079.

11 Stock and assets held for resale	2025	2024
	£	£
Domestic supplies and consumables	47,068	39,195
Freehold property held for resale	2,388,000	-
	<u>2,435,068</u>	<u>39,195</u>
12 Debtors	2025	2024
	£	£
Trade debtors	129,037	281,486
Prepayments and accrued income	330,150	427,783
	<u>459,187</u>	<u>709,269</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

13 Creditors: amounts falling due within one year	2025	2024
	£	£
Trade creditors	466,844	540,546
Accruals and deferred income	128,454	140,366
Other taxation and social security	125,609	134,153
Other creditors	2,062	5,617
	<u>722,969</u>	<u>820,682</u>

Included in accruals and deferred income is fee income relating to later periods totalling £60,425 (2024: £32,331). Amounts of £32,331 were released from the previous accounting period.

14 Operating lease commitments

At 31 March 2025 the charity had minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Expiry date:		
Within 1 year	25,136	23,926
Between 1 and 5 years	87,428	90,720
Over 5 years	-	11,160
	<u>112,564</u>	<u>125,806</u>

15 Residents' savings

An amount of £15,312 (2024: £13,984) is held in two secure bank accounts on behalf of residents. All accounting records for transactions made on behalf of residents are segregated from the records of the charitable company.

16 Pension commitments

The charitable company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charitable company and amounted to £133,212 (2024: £114,699). Included within creditors is an amount due to scheme providers totalling £26,976 (2024: £27,009).

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

17 Funds

	At 1 April 2024 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2025 £
General reserve					
General	1,339,473	9,299,461	(9,756,722)	1,939,203	2,821,415
Total General reserve	1,339,473	9,299,461	(9,756,722)	1,939,203	2,821,415
Designated reserve					
Fixed asset fund	4,629,784	-	(193,971)	2,383,797	6,819,610
Unrestricted funds	5,969,257	9,299,461	(9,950,693)	4,323,000	9,641,025
Restricted revenue funds					
Nurses' social committee fund	3,122	-	-	-	3,122
Lounge refurbishments	5,000	5,100	(10,100)	-	-
Software fund	153	-	(153)	-	-
Leisure and sporting activities	1,794	-	-	-	1,794
Other	4,882	1,750	(2,245)	-	4,387
	14,951	6,850	(12,498)	-	9,303
Restricted capital funds					
New build fund	-	73,000	-	(73,000)	-
Profiling beds	16,292	-	(6,735)	-	9,557
	31,243	79,850	(19,233)	(73,000)	18,860
Endowment fund (RMCHD)	4,250,000	-	-	(4,250,000)	-
Total funds	10,250,500	9,379,311	(9,969,926)	-	9,659,885

The general reserve represents the free funds of the charity which are not designated for particular purposes.

Designated unrestricted funds include reserves invested in fixed assets and land and property assets.

The endowment fund was held by Royal Midland Counties Home for the Disabled and comprised a permanent endowment of £4,250,000, being the site of the charity's registered address (represented within freehold land & buildings in note 10). During the year to 31 March 2025, the charity took appropriate legal advice and consulted with the Charity Commission, the upshot of which was to release these funds from the permanent endowment and enable them to be treated as unrestricted. Accordingly, a transfer has been made of £4,250,000 from the endowment fund into unrestricted funds.

The restricted funds are those funds which have been used in accordance with restrictions imposed by donors or funds which have been raised by the charity for specific purposes:-

- The nurses' social committee fund represents amounts received from the Mary Hallam estate to be spent by the committees.
- The software fund represents amounts donated by Royal Midlands Counties Home for the Disabled and other donors to install relevant software and purchase the necessary support and testing required to bring it into full operational use.
- The leisure and sporting activities fund represents amounts donated towards additional leisure and sporting activities for the benefit of residents.
- Other restricted funds comprise funds in relation to: People's postcode lottery; Specialist training; The Tent Event; and The English Project.

Where a transfer has been made from restricted to unrestricted funds, this is to reflect that the terms of a restricted capital donation have been met once the associated fixed assets have been acquired. The net book values of the associated assets are included in the fixed asset designated fund.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2025

18 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds			
General reserve	-	2,821,415	2,821,415
Designated reserve	6,819,610	-	6,819,610
Restricted funds	9,557	9,303	18,860
	6,829,167	2,830,718	9,659,885

19 Related party transactions

There were no related party transactions during the year (2024: £Nil).

20 Controlling interest

The charity is controlled by the trustees.

CASTEL FROMA NEURO CARE LIMITED

England & Wales - Charity number 1100965

Accounts

**CASTEL FROMA NEURO CARE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

CHARITY NUMBER 1100965

COMPANY NUMBER 04777559

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

CHAIR'S REPORT

Castel Froma Neuro Care Limited is a charitable company limited by guarantee operating two care centres in South Warwickshire, providing quality specialist care, treatment, rehabilitation and therapeutic facilities for people with complex conditions ranging from brain injuries to multiple sclerosis, motor neurone, Parkinson's and Huntington's diseases.

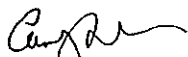
Castel Froma Neuro Care Limited is currently based in two properties, at Lillington House and Helen Ley House, which between them care for approximately 90 residents at any one time.

We achieved a gross income in the financial year 2023-24 of £8.9 million, predominantly from fees paid by the NHS and other public sector and private sources. This sum includes donations and legacies we have been very fortunate to receive, and staff have worked very hard to achieve, of more than £370,000. Until this year we were also supported by investment income from a property, which was sold in order to fund construction work at one of our sites (Helen Ley House) to add a further eight specially adapted rooms capable of supporting the care we provide.

The year was also extremely challenging. Alongside managing a major construction project on one of our sites while continuing full services to residents, we faced considerable rising costs of operation. The principal of these was setting pay to be competitive with the rest of the health sector. Following a pay uplift in the NHS and in the context of a nationwide shortage of nurses and therapists, we awarded a 5% increase to attract and retain quality staff and avoid the cost of agency fees to fill gaps. The lag in fee increases to reflect increased costs led to a deficit for the year of more than £286,000. The Board and management of the charity are pursuing a strategy of working towards realistic fee levels whilst also ensuring that costs are actively managed.

Although outside the period of this report, it is appropriate to provide an update on progress in reflecting on the changing nature of and possibilities offered by modern healthcare and the announcement in August 2024 of a review of our services to meet new needs, details of which can be found on our website: <https://castelfroma.org.uk/castel-froma-neuro-care-reviews-facilities-to-focus-on-restoration-prevention-and-quality-of-life/>

The work of the charity is only made possible by the efforts and goodwill of the staff and also many individuals who give their time freely in many different ways to offer support. This is very much appreciated. Finally, I wish to thank my fellow trustees for their continued dedication and support of Castel Froma Neuro Care Limited.



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Caroline Wilson
Chair of Trustees
30 January 2025

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (Including Directors' and Strategic Report)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees are pleased to present their annual report together with the audited financial statements of the charity for the year ended 31 March 2024 which are also prepared to meet the requirements for the strategic and directors' report and accounts for Companies Act purposes. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

On 1 April 2011 Castel Froma (as the charity was then known) merged with Royal Midland Counties Home for the Disabled, a charity under common control. Royal Midland Counties Home for the Disabled remains a separate charity, placed under a Uniting Direction with Castel Froma. On 1 April 2011 the expendable assets of Royal Midland Counties Home for the Disabled were transferred to Castel Froma and the permanent endowment was placed under the protection of the Trustees of Castel Froma. The following financial statements report the combined performance and financial position of Castel Froma and Royal Midland Counties Home for the Disabled.

Reference and administrative information

Castel Froma Neuro Care Limited:-

Registered charity number	1100965
Registered company number	04777559

Country of incorporation	England
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Royal Midland Counties Home for the Disabled registered charity number (Linked charity)

1100965-1

Registered office

93 Lillington Road
Leamington Spa
Warwickshire
CV32 6LL

Auditors

Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House,
11 Highdown Road
Leamington Spa
CV31 1XT

Bankers

Lloyds Bank
73 The Parade
Leamington Spa
CV32 4BB

Solicitors

Wright Hassall LLP
Olympus Avenue
Leamington Spa
CV34 6BF

Harrison Clark Rickerbys Limited
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Directors and trustees and officials

President	12 th Earl of Aylesford
Patron	Mr T Cox, Her Majesty's Lord Lieutenant of Warwickshire
Vice-President	Mrs D Dowdeswell OBE
Trustees	Dr C Wilson (Chair) Mr G Murrell (Vice-Chair) Mr S J Nicklin Mrs L Holiday Mr D Leigh-Hunt Dr D Stableforth Mr J Evison Mrs S K Seeley (appointed 8 April 2024) Ms S J Heales (appointed 8 October 2024)
Ex-Officio	The Chairman of Warwick District Council His Worship the Mayor of Royal Leamington Spa
Senior Management Team	Mrs M Bawden (Chief Executive & Nominated individual) Mrs E Jackson (Deputy Chief Executive) Mr A Albu (Registered Manager, Lillington House and Helen Ley House) Miss N Fyfe (Clinical Services Manager) Ms K Gates (Therapy manager)
Company Secretary	Mrs M Bawden
Care Standards Committee	Mrs L Holiday (Chair) Dr C Wilson Mr G Murrell Mr S J Nicklin Mr D Leigh-Hunt Dr D Stableforth Mr J Evison Mrs S K Seeley Ms S J Heales
Finance, Assets & Risk Committee (including profiling & fundraising)	Mr G Murrell (Chair) Dr C Wilson Mr S J Nicklin Mrs L Holiday Mr D Leigh-Hunt Dr D Stableforth Mr J Evison Mrs S K Seeley Ms S J Heales
Remuneration Committee	Mr D Leigh-Hunt (Chair) Dr C Wilson Mrs L Holiday Mr J Evison Mr S Nicklin Mr G Murrell

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Mission Statement

Day, respite and long-term residential care with 24-hour nursing care for those with neurological conditions

We run outstanding care and rehabilitation centres providing day, respite and long-term services for people disabled by neurological conditions.

Business Aims

- To provide the highest standard of nursing and care for individuals with neurological conditions who have complex needs;
- To bring together experts from every therapeutic field to help our residents live as full a life as possible;
- To integrate family, friends and the local community into the lives of our residents and provide a supportive environment for their carers;
- To excel in palliative and end of life care to help our residents live their last days as they would wish, free from pain and with as much dignity as possible;
- To extend our care beyond our centres, into the local community and onto a regional and national level;
- To operate within a financially and environmentally sustainable framework.

Principal activities

The principal activity of Castel Froma Neuro Care Limited is the provision of care and accommodation for severely physically disabled people. To achieve this objective the charity operates two registered care centres based at the following addresses:-

Lillington House
93 Lillington Road
Leamington Spa
Warwickshire
CV32 6LL

The Helen Ley Care Centre
Bericote Road
Blackdown
Leamington Spa
Warwickshire
CV32 6QP

The centres provide 24-hour nursing care, in addition to physiotherapy, occupational therapy, hydrotherapy, speech and language therapy, aromatherapy and reflexology.

The principal activity of Royal Midland Counties Home for the Disabled is to support Castel Froma Neuro Care Limited. The sale of approximately 1.5 acres of land in 2004 allowed Royal Midland Counties Home for the Disabled to invest a large sum of money in property. The monthly income has been allocated to projects in Castel Froma Neuro Care Limited for physically disabled people. All of the projects have directly benefited the residents.

Volunteers

In addition to approximately 206 paid employees, the charity also benefits from in excess of 1,000 hours of donated time each year. This figure includes time spent at the care centres by committee members, drivers and letter writers, who all participate in fundraising events, visit residents, and accompany them on excursions outside the care centres.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing instrument

Castel Froma Neuro Care Limited is a charitable company limited by guarantee, incorporated on 27 May 2003 and registered as a charity on 1 December 2003. The company was established under a Memorandum of Association, as amended by special resolutions of 7 November 2003 and 25 November 2010, which established the objects and powers of the company and is governed under its Articles of Association.

Royal Midland Counties Home for the Disabled is an unincorporated association set up under a Trust Deed dated 27th June 1884, as amended on 1st April 2011.

Organisation and structure

The overall management of the charity is carried out by the Chief Executive who is directly responsible to the trustees. All nursing and care staff report to the Registered Managers and all non-medical staff report to their relevant line manager. The members of the Senior Management Team comprise the Deputy Chief Executive, Registered Managers and Therapy Manager, all of whom report to the Chief Executive.

Governance and internal control

The 'Board of Trustees' comprises the directors of the company. A list of those who served in these capacities during the period is set out on page 3. Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

A panel comprising existing committee members selects members of the three committees: the Care Standards Committee; the Finances, Assets and Risks Committee; and the Remuneration committee. The trustees meet quarterly.

New trustees are elected by the 'Board of Trustees'. New trustees are inducted into their role over the course of several meetings and are encouraged to attend appropriate training to facilitate the undertaking of their role.

Pay policy for senior staff

The pay of the senior staff is reviewed by the remuneration committee (at least annually) and normally increased in line with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size. If recruitment has proven difficult in the recent past a market addition may also be paid.

Plans for the future

During the year the charity has made significant progress on the extension to Helen Ley House, which will expand capacity with eight new bedrooms and will become operational in 2025, following recent approval from the CQC. The extension forms part of a wider review by the trustees of the charity's premises in the context of the need for the charity to align its care services with changes in modern healthcare services, including an increased focus on rehabilitation.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Achievements and performance

2023-24 was another extremely challenging year as the charity, like many in the sector, was dealing with significant inflationary pressures in the economy that were in part exacerbated by a volatile political environment around the world.

We continue to strive to provide a high standard of care for all of our residents at both sites. To this end, we have where possible, maintained the number of hours each week in respect of physiotherapy, occupational therapy, psychology, dietician and speech and language therapy. We reopened respite care during the year and our respite beds were popular during the spring and summer months, in particular. The latest CQC inspection reports, which were desktop reviews carried out in 2022 and 2023, still assess both sites as 'Good'.

Financial review

Details of the financial position of the charity are set out in the attached financial statements. Income for the year totalled £8,974,832 and expenditure totalled £9,218,987. Net expenditure for the year totalled £244,155 with total adverse movement in funds of £286,901 after other losses of £42,746. Unrestricted reserves at the year-end amounted to £5,969,257 and these comprised general reserves of £1,339,473 and designated reserves of £4,629,784. Restricted reserves comprise the restricted reserves of Castel Froma Neuro Care Limited totalling £31,243 and an endowment reserve of Royal Midland Counties Home for the Disabled, representing the value of the freehold property, being the site at 93 Lillington Road, amounting to £4,250,000 at the year end.

Investment policy

The charity's investments are held in accordance with the trustees' powers. The trustees have considered the most appropriate policy for investing the funds and have found that a mixture of property investment and investment in a portfolio of equities had previously met their requirements to generate both income and capital growth. The trustees take advice from suitable specialists on, amongst other things, the acceptable levels of risk and aim to generate a return above that of the rate of inflation, whilst ensuring that cash is available to the charity when needed. The performance of investments is reviewed periodically against agreed benchmarks. In the year to 2024, the charity disposed of its investments in order to release resources to fund further development.

Risk review

The trustees have put in place a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees continually review the adequacy of the charity's current internal controls. The trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been implemented to mitigate those risks. The significant external risks to the charity are noted within the key risks identified below and include the key financial risk of the charity not meeting its budget. Internal risks are minimised by the implementation of internal control procedures for authorisation of transactions and projects and through staff development. These procedures are reviewed periodically to ensure they still meet the needs of the charity.

The key risks as identified by the trustees include:

- Residents' fees as awarded by Commissioners not keeping pace with inflation and the ensuing difficulty in achieving a balanced budget, given the requirement to meet and maintain the charity's reputation and commitment to care standards;
- Maintaining fee levels and cash flow in the context of a changing pattern of referrals with an increasing emphasis on shorter term placements for rehabilitative care, with potential for more "void" periods; and
- Accommodation becoming unsuitable and unfit for purpose.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Reserves policy

The trustees have examined the charity's requirements for reserves in the light of the main risks to the organisation and have established a policy whereby sufficient unrestricted reserves are retained in order to meet unforeseen increased working capital requirements at a level equal to at least six months' operating expenditure. In April 2021, the trustees further clarified the reserves policy with an additional aim to hold a level of reserves in liquid assets such as cash deposits or investment funds of at least three months' operating expenditure. The policy is still considered to be appropriate for 2024 and is to be reviewed again in 2025.

The strategy of the trustees is guided by the following principles:

- To build reserves through planned operating surpluses;
- To review the policy regularly in the light of financial performance and any changes in risk assessment;
- To apply this policy in conjunction with the investment policy, to enable a proportion of the reserve to be invested; and
- To limit the ability of the charity to draw from its reserves by only authorising the Chief Executive or Chair of Trustees to effect such a drawdown, with an obligation to report any such withdrawal to the Board.

The level of unrestricted reserves not committed was £5,969,257, of which there was a designation of £4,629,784. This designated fund represents the majority of the net book value of the functional fixed assets of the charity and is therefore not deemed to be available to the charity for activities other than to which these assets are currently committed. The level of reserves available to the charity for unforeseen working capital requirements was therefore £1,339,473, which, at around one to two months of operating expenditure, is short of the six months target, based upon current levels of activity and budgets for the forthcoming years, although liquid assets are more in line with three months' target. The trustees consider that the strength of the charity's balance sheet, current stable cash flows and the results of recent risk management analysis indicate that the current level of reserves is adequate for the charity to meet its objectives.

Valuation of properties

In October 2020 the freehold properties at both sites (Lillington House and Helen Ley House) were subject to a periodic valuation, in accordance with UK GAAP in order to assess whether either property was impaired, as neither property is depreciated. This led to assessed valuations of £4,200,000 and £2,950,000 respectively, and were on an open market value basis.

As the carrying value of Helen Ley House, at £2,855,750 did not exceed its latest market valuation, the trustees were satisfied that it was not impaired and that its current carrying value is considered to be appropriate, following significant further investment in an extension to the site of over £1million, which is set to become operational in 2025.

No adjustments were made to the carrying values of the properties for the year ended 31 March 2024, which the trustees consider to currently be shown at a carrying value which is relevant and fair.

Fundraising

Whilst the charity does incur some expenditure in respect of fundraising activities, including professional fees for a third-party agent in respect of corporate charity donations, these are considered to be on a small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the charity is not registered with the Fundraising Regulator, although the trustees will keep the situation under review.

The trustees would like to acknowledge their sincere gratitude for the donations in the year from: The Saintbury Trust, The Wilmcote Charitrust, The Rowlands Trust, The Dennis Alan Yardley Charitable Trust, The Boshier Hinton Foundation, The W.E.D Charitable Trust, The W E Dunn Trust, The Elizabeth Jackson Charitable Trust, The Geoff & Fiona Squire Foundation, Screwfix and The C A Rookes Charitable Trust. The majority of these donations helped to fund profiling beds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2024

STATEMENT OF PUBLIC BENEFIT

The trustees are mindful of the need to demonstrate public benefit in the operation of both Royal Midland Counties Home for the Disabled (RMCHD) and Castel Froma Neuro Care Limited. For many years the charity had operated at a trading loss and had been wholly dependent upon RMCHD to provide substantial donations in order to keep the charity running. The trustees are now pursuing a strategy of maintaining realistic fee levels whilst also ensuring that costs are actively managed, with the aim of providing financial stability for the charity.

The trustees have duly considered the Charity Commission's published guidance on public benefit requirements under the Charities Act 2011.

As such, the trustees carry out those objects and activities by contracting with, amongst others, NHS England and various Integrated Care Boards to provide:-

- Rehabilitation of individuals following catastrophic brain traumas; and
- Continuing specialist and complex care for individuals with ongoing brain related traumas and physical disabilities

As a result of this, the charity is deemed to demonstrate a public benefit in assisting the NHS and other public bodies by offering a more tailored solution to these individuals whose complex and often long-term care needs would otherwise place a significant burden on publicly funded resources and facilities.

Furthermore, in common with other charities in the care sector, the fees charged to residents are based on a structure of cost recovery that extends only to direct care costs and ancillary overheads but which excludes a charge for room rental. As such the charity is considered to offer a demonstrable public benefit to residents, their families and wider society in providing this service within the context of its overall care obligations.

The charity is open to all who may benefit from the highly intensive services offered at Castel Froma Neuro Care Limited. We know we could do more and that is why we are developing and adapting facilities which will allow the charity to offer its services to more potential residents. A broader range of services is contemplated which would offer further support to those needing the specialised service we offer. This approach is entirely driven by the charity's objective of relieving persons with physical disabilities by the provision of care.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors of Castel Froma Neuro Care Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2019 (FRS 102);
- 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;
- 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

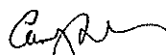
Auditors

Harrison Beale & Owen Limited have expressed their willingness to continue in the capacity of the company's auditors.

Approval of Strategic Report

In approving the Trustees' Annual Report we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the trustees on 30 January 2025 and signed on their behalf by:



Dr C Wilson
Chair of Trustees

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED

FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Castel Froma Neuro Care Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2024

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. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2024

Auditor's responsibilities for the audit of the financial statements

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

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 audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

Use of our report

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



Mark Ashfield BA FCA (Senior Statutory Auditor)
For and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

30 January 2025

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted and Endowment Funds £	Total 2024 £	Total 2023 £
Income and endowments from:					
Donations and legacies	2	344,092	27,853	371,945	165,186
Charitable activities					
Operation of care centres:	2				
Residential fees		8,424,443	-	8,424,443	7,587,804
Investments	3	158,066	-	158,066	183,793
Other		20,378	-	20,378	8,999
Total income and endowments		8,946,979	27,853	8,974,832	7,945,782
Expenditure on:					
Raising funds	4	96,511	-	96,511	85,658
Charitable activities: Operation of care centres	9	9,102,211	20,265	9,122,476	8,529,724
Total expenditure		9,198,722	20,265	9,218,987	8,615,382
Net expenditure	7	(251,743)	7,588	(244,155)	(669,600)
Transfers between funds	19	-	-	-	-
Other recognised gains/ (losses):					
Other gains/ (losses)	6	(42,746)	-	(42,746)	84,091
Net movement in funds		(294,489)	7,588	(286,901)	(585,509)
Reconciliation of funds					
Total fund balances brought forward at 1 April 2023	19	6,263,746	4,273,655	10,537,401	11,122,910
Total fund balances carried forward at 31 March 2024		5,969,257	4,281,243	10,250,500	10,537,401

All income and expenditure derive from continuing activities.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

BALANCE SHEET AS AT 31 MARCH 2024

		2024 £	2023 £
	Note		
Fixed assets			
Tangible assets	10	8,896,076	8,170,729
Investments	11	-	2,916,179
		<u>8,896,076</u>	<u>11,086,908</u>
Current assets			
Stock	12	39,195	94,297
Debtors	13	709,269	553,296
Cash at bank and in hand		1,426,642	321,484
		<u>2,175,106</u>	<u>969,077</u>
Creditors : amounts falling due within one year	14	(820,682)	(619,901)
Net current assets		<u>1,354,424</u>	<u>349,176</u>
Total assets less current liabilities		10,250,500	11,436,084
Creditors : amounts falling due in more than one year	15	-	(898,683)
Net assets		<u>10,250,500</u>	<u>10,537,401</u>
Unrestricted funds			
General funds			
General	19	1,339,473	2,463,324
Fair value reserve	19	-	835,000
Total General funds		<u>1,339,473</u>	<u>3,298,324</u>
Designated funds	19	4,629,784	2,965,422
		<u>5,969,257</u>	<u>6,263,746</u>
Restricted funds	19	31,243	23,655
Endowment fund (held by Castel Froma Neuro Care Ltd as a trustee of RMCHD)	19	4,250,000	4,250,000
		<u>10,250,500</u>	<u>10,537,401</u>

These accounts were approved by the Board of Trustees on 30 January 2025 and signed on its behalf by


 DR C WILSON
 Chair

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2024

		2024 £	2023 £
	Note		
Cash provided by/ (used in) operating activities	1	60,599	(559,513)
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(983,888)	(482,612)
Payments to acquire fixed asset investments		-	(13,500)
Receipts from disposal of fixed asset investments		2,864,838	287,488
Interest received		7,354	6,868
Rents received from investment properties		150,712	176,925
Cash provided by/ (used in) investing activities		<u>2,039,016</u>	<u>(24,831)</u>
Cash flows from financing activities			
New loans advanced		507,500	406,000
Repayment of loans		(1,462,807)	(46,056)
Interest paid		(47,745)	(41,347)
Cash provided by/ (used in) financing activities		<u>(1,003,052)</u>	<u>318,597</u>
Increase/ (decrease) in cash and cash equivalents		<u>1,096,563</u>	<u>(265,747)</u>
Cash and cash equivalents at 1 April		<u>330,079</u>	<u>595,826</u>
Cash and cash equivalents at 31 March		<u><u>1,426,642</u></u>	<u><u>330,079</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,426,642	321,484
Listed investments cash		-	8,595
Cash and cash equivalents at 31 March		<u><u>1,426,642</u></u>	<u><u>330,079</u></u>

Analysis of changes in net funds/ debt

	At 1 April 2023 £	Cash Flows £	Non-cash Changes £	At 31 March 2024 £
Long term loans	(898,683)	898,683	-	-
Short term loans	(56,624)	56,624	-	-
Total liabilities	<u>(955,307)</u>	<u>955,307</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	330,079	1,096,563	-	1,426,642
Total net funds/ (debt)	<u>(625,228)</u>	<u>2,051,870</u>	<u>-</u>	<u>1,426,642</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2024

1. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds	(286,901)	(585,509)
Rents received from investment properties	(150,712)	(176,925)
Interest receivable	(7,354)	(6,868)
Interest payable	47,745	41,347
Depreciation of tangible fixed assets	258,541	289,899
(Gains)/ losses on investments and investment property	42,746	(84,091)
Decrease in stock	55,102	22,970
Increase in debtors	(155,973)	(58,978)
Increase/ (decrease) in creditors	257,405	(1,358)
Net cash provided by/ (used in) operating activities	<u>60,599</u>	<u>(559,513)</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below as follows. These policies have been consistently applied unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Castel Froma Neuro Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are presented in sterling, which is the functional currency of the charitable company and rounded to the nearest £.

b) Preparation of the accounts on a going concern basis

The charity reported an adverse net movement in funds of £286,901. However, it should be noted that this performance was again in the context of severe inflationary pressures in what has continued to be a volatile economic and political environment. The trustees consider that the charity's future plans, which will include a focus on rehabilitation and care of clinically complex cases combined with a review of premises, will result in an overall reduction in expenditure as a percentage of income. The forecasts for operating cash flows, together with the level of reserves, suggest that the charity's future is secured for at least 12 months following the authorisation of these accounts. Accordingly, on this basis the trustees consider that no material uncertainties exist and that the charitable company is therefore a going concern.

c) Income

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

Income from government and other grants, whether "capital" grants or "revenue" 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 and is not deferred.

For legacies, entitlement is the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of any care services provided is deferred until the criteria for income recognition are met (see note 14).

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

1 Principal accounting policies (continued)

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from investment property is accounted for on a straight-line basis over the period of the lease.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

Endowment funds represent those assets which must be held permanently by the charity, principally the property at Lillington Road.

e) Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise property management fees and property related interest and costs; and staff and professional fees associated with raising funds.
- Expenditure on charitable activities includes the costs associated with the provision of care and accommodation for severely physically disabled people and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Support costs

Support costs are those functions that assist the work of the charity but do not directly represent charitable activities and include office costs, finance, personnel, payroll and governance costs. Where support costs cannot be directly attributed to particular headings, they have been allocated to the cost of raising funds and expenditure on charitable activities. Costs are allocated to activities based on a relevant indicator for use of resources (e.g. staff allocated by activity; floor area of building; equipment allocated by activity). The bases on which support costs have been allocated are set out in note 9.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

1 Principal accounting policies (continued)

g) Leases and hire purchase

Assets acquired under hire purchase contracts are capitalised and depreciated over their expected useful lives. Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

h) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and buildings	0% p.a.
Motor vehicles	25% p.a. reducing balance
Fixtures, fittings and equipment	15%, p.a., 20% p.a. and 33.3% p.a. straight line

Freehold land and buildings are not depreciated as the charity maintains the properties to a high standard and their residual values are regularly measured on the basis of fair value and reinstatement cost as a means to assess their carrying values in the financial statements. This informs an annual impairment review, which is undertaken to establish the recoverable value of all properties.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such an indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA.

i) Investments

Listed investments are stated at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are recognised in the SOFA. Gains or losses on investments are calculated as the difference between the disposal proceeds and the market value brought forward.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in "Other gains/ (losses)" in the SOFA.

Cash and cash equivalents comprise cash at banks, on deposit and in hand where there is a maturity of less than one year.

j) Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all costs of purchase and other costs incurred in bringing stock to its present location and condition.

k) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

l) Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

1 Principal accounting policies (continued)

m) Employee benefits

When employees have rendered services to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

n) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

o) Company status and general information

The charity is a private company incorporated in England and Wales and is limited by guarantee, with no share capital. The members of the company include the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office and registered numbers of the company and charity are shown in the charity information on page 2 of these financial statements.

p) Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS 102, the charity must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual financial statements. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. The trustees do not consider any of the estimates or judgements applied to be significant to the financial statements.

2 Income and endowments

Income from donations and legacies was £371,945 (2023: £165,186) of which £27,853 (2023: £156,298) was attributable to restricted funds and £344,092 (2023: £8,888) was attributable to unrestricted funds.

Income from charitable activities was £8,424,443 (2023: £7,587,804) all of which was attributable to unrestricted funds and related to the provision of care services.

3 Investment income

	2024	2023
	£	£
Rental income and income under operating leases	150,712	176,925
Interest and dividend income	7,354	6,868
	<u>158,066</u>	<u>183,793</u>

All investment income in the current and prior years was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

4	Expenditure on raising funds	2024	2023
		£	£
	Professional fees for direct fundraising costs	23,479	20,860
	Professional fees for investing activities	708	6,514
	Property management fees and repairs	15,529	16,937
	Tenancy agreement and valuation	9,050	-
	Bank loan interest	47,745	41,347
		<u>96,511</u>	<u>85,658</u>

Of the expenditure on raising funds above, only £23,479 (2023: £20,860) related directly to donations and legacy income in the financial statements. Other expenditure is associated with professional and property management fees in respect of fixed asset investments and investment property; and the cost of servicing the secured loans disclosed in note 15.

All expenditure on raising funds in the current and prior year was attributable to unrestricted funds.

5	Staff costs, trustee remuneration and expenses and the cost of key management personnel	2024	2023
		£	£
	Wages and salaries	6,272,885	5,847,361
	Social security costs	512,238	472,932
	Pensions	114,699	107,321
		<u>6,899,822</u>	<u>6,427,614</u>

Wages and salaries include agency and bought in staff costs totalling £462,666 (2023: £520,237). The trustees neither received nor waived any remuneration during the year (2023: £Nil). No trustee was reimbursed expenses during the current or prior year.

The number of staff whose emoluments fell within the following bands was as follows:-	No.	No.
£60,001 to £70,000	3	1
£70,001 to £80,000	2	5
£80,001 to £90,000	1	1
£90,001 to £100,000	1	1
£110,001 to £120,000	2	1

Nine (2023: Nine) employees earning over £60,000 were accruing retirement benefits under a defined contribution scheme. In the year, employer contributions of £15,010 (2022: £14,059) were made in respect of these employees.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The average monthly headcount was 206 staff (2023: 205 staff) and the average monthly number of full-time equivalent employees (including part time staff) during the year was:

	2024	2023
	No.	No.
Management	4	6
Administration	6	6
Nursing	32	30
Ancillary care	96	85
Therapy	24	24
Housekeeping	14	14
Services	5	5
	<u>181</u>	<u>170</u>

The key management of the charity comprise the Trustees, the Chief Executive and nominated individual, the Deputy Chief Executive and the Clinical Leads. The total employee benefits of the key management personnel of the charity were as follows:

	2024	2023
	£	£
Key management employee benefits	<u>417,741</u>	<u>448,986</u>

6 Other gains and losses

Other gains and losses include realised losses of £1,247 (2023: £8,918) and an unrealised loss of £Nil (2023: loss of £41,991) in respect of listed investments.

Additionally, a realised loss of £41,499 (2023: £Nil) and a fair value gain of £Nil (2023: £135,000) has been recognised on the charitable company's investment property.

7 Net expenditure

	2024	2023
	£	£
Net expenditure is stated after charging/ (crediting):-		
Other operating leases and equipment hire	27,018	32,839
Depreciation – owned assets	258,541	289,899
Income from operating lease arrangements	(126,938)	(176,925)
Auditor's remuneration	<u>15,000</u>	<u>8,000</u>

8 Interest payable

	2024	2023
	£	£
Bank loan Interest	<u>47,745</u>	<u>41,347</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

9 Analysis of expenditure on charitable activities

	Operation of Care centres	Therapies	Total 2024	Total 2023
	£	£	£	£
Staff	4,882,935	828,107	5,711,042	5,259,867
Rent & rates	32,129	4,801	36,930	22,578
Light, heat & power	237,063	35,423	272,486	162,833
Supplies (medical, catering & cleaning)	532,244	79,531	611,775	529,866
Repairs & maintenance	222,639	33,268	255,907	212,182
Training	20,225	3,022	23,247	40,317
Subscriptions	62,533	9,344	71,877	66,550
Motor & travelling expenses	10,032	1,499	11,531	13,921
Insurance	106,430	15,903	122,333	108,316
Bank charges & interest	16,321	-	16,321	2,182
Depreciation	232,687	25,854	258,541	289,899
General expenses	103,420	15,454	118,874	125,564
Covid-19 expenses	-	-	-	118,290
	<u>6,458,658</u>	<u>1,052,206</u>	<u>7,510,864</u>	<u>6,952,365</u>

Allocation of support and governance costs to activities	Operation of Care centres	Total 2024	Total 2023
	£	£	£
Wages and salaries & related costs (allocated on time)	1,070,764	1,070,764	1,059,165
General (pro rata to staff full time equivalent)	163,810	163,810	170,131
Legal and other professional fees	<u>153,582</u>	<u>153,582</u>	<u>140,953</u>
Support costs	1,388,156	1,388,156	1,370,249
Governance costs (allocated on time)	223,456	223,456	207,110
Direct costs		7,510,864	6,952,365
Total costs relating to the operation of the care centres		<u>9,122,476</u>	<u>8,529,724</u>

Governance costs comprise the following:-

	2024	2023
	£	£
Staff costs	118,016	108,582
Legal and professional fees	<u>105,440</u>	<u>98,528</u>
	<u>223,456</u>	<u>207,110</u>

Expenditure on charitable activities was £9,122,476 (2023: £8,529,724) of which £20,265 (2023: £207,676) was attributable to restricted funds and £9,102,211 (2023: £8,322,048) was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

10 Tangible fixed assets	Freehold land & buildings	Motor Vehicles	Fixtures fittings & equipment	Total
Cost or valuation	£	£	£	£
At 1 April 2023	8,004,385	158,116	4,571,232	12,733,733
Additions	796,641	-	187,247	983,888
At 31 March 2024	8,801,026	158,116	4,758,479	13,717,621
Depreciation				
At 1 April 2023	510,420	135,851	3,916,733	4,563,004
Charge for the period	-	5,565	252,976	258,541
At 31 March 2024	510,420	141,416	4,169,709	4,821,545
Net book value				
At 31 March 2024	8,290,606	16,700	588,770	8,896,076
At 31 March 2023	7,493,965	22,265	654,499	8,170,729

Freehold land and buildings comprise the sites at Lillington Road (Lillington House) with a carrying value of £4,258,871 and at Bericote Lane (Helen Ley House) with a carrying value of £4,031,736. Both sites were last valued in October 2020 by Wareing & Company, which resulted in an impairment loss of £510,420 for Lillington House in the year to 31 March 2021 but no change in the carrying value for Helen Ley House. If freehold land and buildings had not been revalued they would have been included at a historical cost of £5,728,235.

11 Investments	2024	2023
Listed Investments	£	£
Market value at 1 April 2023	372,584	697,481
Additions	-	13,500
Disposals	(371,337)	(296,406)
Realised loss/ Unrealised loss	(1,247)	(41,991)
Market value at 31 March 2024	-	372,584
Historical cost at 31 March 2024	-	396,608
Listed investments are represented by:		
Equity shares and fixed interest securities	-	372,584
Cash	-	8,595
As at 31 March 2024	-	381,179
Investment property	2024	2023
Valuation	£	£
Balance at 1 April 2023	2,535,000	2,400,000
Unrealised gain	-	135,000
Disposals	(2,535,000)	-
Balance at 31 March 2024	-	2,535,000
Total investments	-	2,916,179

Investment property was valued on a fair value basis of £2,535,000 by the trustees as at 31 March 2023. The method and significant assumptions underlying this assessment of fair value was by reference to recent rent yields based on the type of property and its geographical location. In October 2023, the property was disposed of for proceeds of £2,535,000.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2024

12	Stock	2024	2023
		£	£
	Domestic supplies and consumables	<u>39,195</u>	<u>94,297</u>
13	Debtors	2024	2023
		£	£
	Trade debtors	281,486	147,588
	Prepayments and accrued income	<u>427,783</u>	<u>405,708</u>
		<u>709,269</u>	<u>553,296</u>

All debtors are short term financial assets that are debt instruments measured at amortised cost.

14	Creditors: amounts falling due within one year	2024	2023
		£	£
	Bank loans	-	56,624
	Trade creditors	540,546	242,710
	Accruals and deferred income	140,366	193,079
	Other taxation and social security	134,153	120,157
	Other creditors	<u>5,617</u>	<u>7,331</u>
		<u>820,682</u>	<u>619,901</u>

Included in accruals and deferred income is fee and rental income relating to later periods totalling £32,331 (2023: £60,934) which has been deferred in the year ended 31 March 2024. Amounts of £38,675 were released from the previous accounting period.

15	Creditors: amounts falling due in more than one year	2024	2023
		£	£
	Bank loans	-	898,683
		<u> </u>	<u> </u>

All creditors are financial assets that are debt instruments measured at amortised cost.

The bank loans were secured on freehold property, investment property and freehold land. Bank loans incurred interest at both a variable rate (base rate plus 2.75%) and fixed rates of both 3.27% and 6.8%.

All bank loans were settled in full in October 2023.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
15 Creditors: amounts falling due in more than one year (continued)		
Loans		
An analysis of the maturity of loans is given below:		
Amounts falling due within one year or on demand:		
Bank loans	-	56,624
	<u>-</u>	<u>56,624</u>
Amounts falling due between one and two years:		
Bank loans	-	56,624
	<u>-</u>	<u>56,624</u>
Amounts falling due between two and five years:		
Bank loans	-	169,872
	<u>-</u>	<u>169,872</u>
Amounts falling due after five years:		
Bank loans	-	672,187
	<u>-</u>	<u>672,187</u>
Total bank loans due	<u>-</u>	<u>955,307</u>
	<u><u>-</u></u>	<u><u>955,307</u></u>
16 Operating lease commitments		
At 31 March 2024 the charity had minimum lease payments under non-cancellable operating leases as follows:		
	2024	2023
	£	£
Expiry date:		
Within 1 year	23,926	4,698
Between 1 and 5 years	90,720	2,902
Over 5 years	11,160	-
	<u>125,806</u>	<u>7,600</u>
	<u><u>125,806</u></u>	<u><u>7,600</u></u>
At 31 March 2024 the charity had minimum lease receipts due under non-cancellable operating leases as follows:		
	2024	2023
	£	£
Expiry date:		
Within 1 year	-	175,000
Between 1 and 5 years	-	306,250
	<u>-</u>	<u>481,250</u>
	<u><u>-</u></u>	<u><u>481,250</u></u>

17 Residents' savings

An amount of £13,984 (2023: £13,270) is held in two secure bank accounts on behalf of residents. All accounting records for transactions made on behalf of residents are segregated from the records of the charitable company.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

18 Pension commitments

The charitable company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charitable company and amounted to £114,699 (2023: £107,321). Included within creditors is an amount due to scheme providers totalling £27,009 (2023: £22,452).

19 Analysis of charitable funds

	At 1 April 2023 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2024 £
Analysis of movements in unrestricted funds:					
General reserve					
General	2,463,324	8,946,979	(8,983,488)	(1,087,342)	1,339,473
Fair value reserve	835,000	-	-	(835,000)	-
Total General reserve	3,298,324	8,946,979	(8,983,488)	(1,922,342)	1,339,473
Designated reserve					
Fixed asset fund	2,965,422	-	(257,980)	1,922,342	4,629,784
Unrestricted funds	6,263,746	8,946,979	(9,241,468)	-	5,969,257
Analysis of movements in restricted funds:					
Restricted revenue funds					
Nurses' social committee fund	3,274	-	(152)	-	3,122
Lounge refurbishments	-	9,000	(4,000)	-	5,000
New build professional fees	13,074	-	(13,074)	-	-
Software fund	944	-	(791)	-	153
Leisure and sporting activities	1,794	-	-	-	1,794
Other	4,569	2,000	(1,687)	-	4,882
	23,655	11,000	(19,704)	-	14,951
Restricted capital funds					
Profiling beds	-	16,853	(561)	-	16,292
	23,655	27,853	(20,265)	-	31,243
Endowment fund (RMCHD)	4,250,000	-	-	-	4,250,000
Total funds	10,537,401	8,974,832	(9,261,733)	-	10,250,500

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

19 Analysis of charitable funds (continued)

The general reserve represents the free funds of the charity which are not designated for particular purposes.

The fair value reserve represented cumulative surpluses arising from annual remeasurements of the charitable company's investment property at fair value through the Statement of Financial Activities.

Designated unrestricted funds include reserves invested in fixed assets and land and property assets less any associated bank loans.

The endowment fund is held by Royal Midland Counties Home for the Disabled and comprises a permanent endowment of £4,250,000, being the site of the charity's registered address (represented within freehold land & buildings in note 10). On 1 April 2011 the endowment fund was placed under the protection of the trustees of Castel Froma Neuro Care Limited under a Uniting Direction. The endowment fund is being held by Castel Froma Neuro Care Limited as a trustee of Royal Midland Counties Home for the Disabled.

The restricted funds are those funds which have been used in accordance with restrictions imposed by donors or funds which have been raised by the charity for specific purposes.

The nurses' social committee fund represents amounts received from the Mary Hallam estate to be spent by the committees.

The lounge refurbishments fund arose out of specific donations received and appeals made by the charity as a contribution towards the cost of this project.

The new build professional fees fund represents a specific donation to cover some of the upfront costs associated with the proposed new build site.

The software fund represents amounts donated by Royal Midlands Counties Home for the Disabled and other donors to install relevant software and purchase the necessary support and testing required to bring it into full operational use.

The leisure and sporting activities fund represents amounts donated towards additional leisure and sporting activities for the benefit of residents.

Other restricted funds comprise funds in relation to: People's postcode lottery; Specialist training; The Tent Event; and The English Project.

Where a transfer has been made from restricted to unrestricted funds, this is to reflect that the terms of a restricted capital donation have been met once the associated fixed assets have been acquired. The net book values of the associated assets are included in the fixed asset designated fund.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

20 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds			
General reserve	-	1,339,473	1,339,473
Designated reserve	4,629,784	-	4,629,784
Restricted funds	16,292	14,951	31,243
Endowment fund	4,250,000	-	4,250,000
	<u>8,896,076</u>	<u>1,354,424</u>	<u>10,250,500</u>

21 Related party transactions

There were no related party transactions during the year (2023: £Nil).

22 Capital commitments

The charity had capital commitments at the year-end of £186,000 (2023: £770,000).

23 Controlling interest

The charity is controlled by the trustees.

CASTEL FROMA NEURO CARE LIMITED

England & Wales - Charity number 1100965

Accounts

**CASTEL FROMA NEURO CARE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

CHARITY NUMBER 1100965

COMPANY NUMBER 04777559

**Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Sydenham
Leamington Spa
CV31 1XT**

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

CHAIRMAN'S REPORT

Castel Froma Neuro Care enables people living with severe neurological injuries and conditions to achieve the best quality of life they can. The excellence of care and rehabilitation we are able to provide means that where we were once a home for life, we now much more frequently are providing a home that is transitional, as some of those in our care are able to progress to more independent living. We are a charitable company limited by guarantee.

We are fortunate to have inherited from previous funders and trustees an estate with two fine buildings set in attractive gardens which are an excellent setting for living, recuperating and rehabilitating, Lillington House and Helen Ley House.

We are also blessed with a committed staff team whose care for the residents and the work of the charity is evident to anyone who visits.

In the year 2022-2023 we have faced several challenges, all affecting our finances:

- difficulty in restoring some services after Covid, such as respite care and therapy for non-residents.
- an under-pressure NHS which has been slow to raise fees in line with inflation.
- increased interest rates on mortgages and secured loans used to invest capital into our estate.
- increased building costs for a project delayed by Covid.

All of this required us to set a deficit budget for the year while the Chief Executive and her management team have worked to stabilise our finances in the longer term, cutting costs, re-negotiating contracts with suppliers and funders, and looking to identify and re-establish income streams.

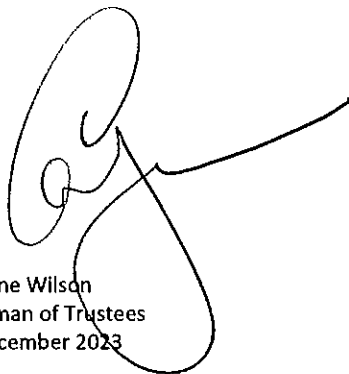
A further action has been to liquidate assets to complete building work at Helen Ley House, which pre-Covid we had hoped to fund from fundraising activity. Charitable funding is another area that is more challenging to tap into post-pandemic.

Selling an investment property (which was completed after year end) will enable us to complete the provision of eight more high quality and specialist recovery rooms at Helen Ley House, and to pay off mortgages and securities, releasing us from high interest charges.

Other work in this year has been to audit the performance of our property for energy efficiency, to both achieve carbon reductions and reduce costs. The management team has been prompt to achieve identified savings and we will continue to look for cost-effective opportunities to lessen our carbon footprint.

The work of the charity is only made possible by the efforts and good will of the staff and also, many individuals who give their time freely in many different ways to offer support. This is very much appreciated.

Finally, I wish to thank my fellow trustees for their continued dedication and support.



Caroline Wilson
Chairman of Trustees
15 December 2023

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (Including Directors' and Strategic Report)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees are pleased to present their annual report together with the audited financial statements of the charity for the year ended 31 March 2023 which are also prepared to meet the requirements for the strategic and directors' report and accounts for Companies Act purposes. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

On 1 April 2011 Castel Froma (as the charity was then known) merged with Royal Midland Counties Home for the Disabled, a charity under common control. Royal Midland Counties Home for the Disabled remains a separate charity, placed under a Uniting Direction with Castel Froma. On 1 April 2011 the expendable assets of Royal Midland Counties Home for the Disabled were transferred to Castel Froma and the permanent endowment was placed under the protection of the Trustees of Castel Froma. The following financial statements report the combined performance and financial position of Castel Froma and Royal Midland Counties Home for the Disabled.

Reference and administrative information

Castel Froma Neuro Care Limited:-

Registered charity number	1100965
Registered company number	04777559

Country of Incorporation	England
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Royal Midland Counties Home for the Disabled registered charity number (Linked charity)	1100965-1
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Registered office	93 Lillington Road Leamington Spa Warwickshire CV32 6LL
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Auditors	Harrison Beale & Owen Limited Chartered Accountants and Statutory Auditor Highdown House, 11 Highdown Road Leamington Spa CV31 1XT
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Bankers	Lloyds Bank 73 The Parade Leamington Spa CV32 4BB
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Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa CV34 6BF
------------	--

	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD
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CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Directors and trustees and officials

President	12 th Earl of Aylesford
Patron	Mr T Cox, Her Majesty's Lord Lieutenant of Warwickshire
Vice-President	Mrs D Dowdeswell OBE
Trustees	Dr C Wilson (Chairman) Mr G Murrell (Vice-Chairman) Mr S J Nicklin Mrs L Holiday Mr D Leigh-Hunt Dr D Stableforth Mr J Evlson
Associate Trustee	Ms S Seeley (appointed July 2023)
Ex-Officio	The Chairman of Warwick District Council His Worship the Mayor of Royal Leamington Spa
Senior Management Team	Mrs M Bawden (Chief Executive & Nominated individual) Mrs E Jackson (Deputy Chief Executive) Mr A Albu (Registered Manager, Lillington House and Helen Ley House) Mrs S Hook (Registered Manager, Helen Ley House – until 31 March 2023) Ms K Gates (Therapy manager) Ms N Fyfe (Deputy Clinical Services manager – from 1 December 2023)
Company Secretary	Mrs M Bawden
Care Standards Committee	Mrs L Holiday (Chair) Dr C Wilson Mr G Murrell Dr D Stableforth Mr S Nicklin
Finance, Assets & Risk Committee (including profiling & fundraising)	Mr G Murrell (Chair) Dr C Wilson Mr J Evlson Mr D Leigh-Hunt Mrs L Holiday Mr S Nicklin Dr D Stableforth
Remuneration Committee	Mr D Leigh-Hunt (Chair) Dr C Wilson Mrs L Holiday Mr J Evlson Mr S Nicklin Mr G Murrell

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Mission Statement

Day, respite and long-term residential care with 24-hour nursing care for those with neurological conditions

We run outstanding care and rehabilitation centres providing day, respite and long-term services for people disabled by neurological conditions.

Business Aims

- To provide the highest standard of nursing and care for individuals with neurological conditions who have complex needs;
- To bring together experts from every therapeutic field to help our residents live as full a life as possible;
- To integrate family, friends and the local community into the lives of our residents and provide a supportive environment for their carers;
- To excel in palliative and end of life care to help our residents live their last days as they would wish, free from pain and with as much dignity as possible;
- To extend our care beyond our centres, into the local community and onto a regional and national level;
- To operate within a financially and environmentally sustainable framework.

Principal activities

The principal activity of Castel Froma Neuro Care Limited is the provision of care and accommodation for severely physically disabled people. To achieve this objective the charity operates two registered care centres based at the following addresses:-

Lillington House
93 Lillington Road
Leamington Spa
Warwickshire
CV32 6LL

The Helen Ley Care Centre
Berlote Road
Blackdown
Leamington Spa
Warwickshire
CV32 6QP

The centres provide 24-hour nursing care, in addition to physiotherapy, occupational therapy, hydrotherapy, speech and language therapy, aromatherapy and reflexology.

The principal activity of Royal Midland Counties Home for the Disabled is to support Castel Froma Neuro Care Limited. The sale of approximately 1.5 acres of land in 2004 allowed Royal Midland Counties Home for the Disabled to invest a large sum of money in property. The monthly income has been allocated to projects in Castel Froma Neuro Care Limited for physically disabled people. All of the projects have directly benefited the residents.

Volunteers

In addition to approximately 205 paid employees, the charity also benefits from over 2,000 hours of donated time each year. This figure includes time spent at the care centre by committee members, drivers and letter writers, who all participate in fundraising events, visit residents, and accompany them on excursions outside the care centre.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Instrument

Castel Froma Neuro Care Limited is a charitable company limited by guarantee, incorporated on 27 May 2003 and registered as a charity on 1 December 2003. The company was established under a Memorandum of Association, as amended by special resolutions of 7 November 2003 and 25 November 2010, which established the objects and powers of the company and is governed under its Articles of Association.

Royal Midland Counties Home for the Disabled is an unincorporated association set up under a Trust Deed dated 27th June 1884, as amended on 1st April 2011.

Organisation and structure

The overall management of the charity is carried out by the Chief Executive who is directly responsible to the trustees. All nursing and care staff report to the Registered Managers and all non-medical staff report to their relevant line manager. The members of the Senior Management Team comprise the Deputy Chief Executive, Registered Managers and Therapy Manager, all of whom report to the Chief Executive.

Governance and internal control

The 'Board of Trustees' comprises the directors of the company. A list of those who served in these capacities during the period is set out on page 3. Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

A panel comprising existing committee members selects members of the three committees: the Care Standards Committee; the Finances, Assets and Risks Committee; and the Remuneration committee. The trustees meet quarterly.

New trustees are elected by the 'Board of Trustees'. New trustees are inducted during their first trustees' meeting. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Pay policy for senior staff

The pay of the senior staff is reviewed by the remuneration committee (at least annually) and normally increased in line with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size. If recruitment has proven difficult in the recent past a market addition may also be paid.

Plans for the future

During the year the charity has made significant progress on the extension to Helen Ley House, which will expand capacity with eight new bedrooms and is set to become operational in 2024. See also note 22 to the financial statements.

Post balance sheet event

The trustees took a decision after the year end for the charity to dispose of its investment property and a sale was concluded in October 2023, which realised over £2.5m in proceeds, although a good proportion of this (around £1.5m) was used to settle bank loans and the associated costs of the disposal. See also note 24 to the financial statements.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Achievements and performance

2022-23 was another challenging year, not least because the charity, like many in the sector, was still dealing with cost pressures from the legacy of the Covid-19 pandemic and the significant inflationary pressures in the economy that were in part exacerbated by a volatile political environment around the world.

We continue to strive to provide a high standard of personalised care for all of our residents at both sites. To this end we have, where possible, maintained the number of hours each week in respect of physiotherapy, occupational therapy, psychology, dietician and speech and language therapy. The number of permanent residents overall increased during the year, in particular at Lillington House, which was pleasing to note. The occupancy at Helen Ley House remained stable year on year and lower than before the pandemic. The charity is currently developing additional pathways to enable residents to live more independently and, where appropriate, this includes re-enablement and discharge to a community setting and it is anticipated that the new rooms at Helen Ley House will form a key part of these new pathways. The latest CQC inspection reports, which were desktop reviews carried out in August 2022 for both sites, still assess both sites as 'Good'.

Financial review

Details of the financial position of the charity are set out in the attached financial statements. Income for the year totalled £7,945,782 and expenditure totalled £8,615,382. Net expenditure for the year totalled £669,600 with total adverse movement in funds of £585,509 after other gains of £84,091. Unrestricted reserves at the year-end amounted to £6,263,746 and these comprised general reserves of £3,298,324 and designated reserves of £2,965,422. Restricted reserves comprise the restricted reserves of Castel Froma Neuro Care Limited totalling £23,655 and an endowment reserve of Royal Midland Counties Home for the Disabled, representing the value of the freehold property, being the site at 93 Lillington Road, amounting to £4,250,000 at the year end.

Investment policy

The charity's investments are held in accordance with the trustees' powers. The trustees have considered the most appropriate policy for investing the funds and have found that a mixture of property investment and investment in a portfolio of equities meets their requirements to generate both income and capital growth. The trustees take advice from suitable specialists on, amongst other things, the acceptable levels of risk and aim to generate a return above that of the rate of inflation, whilst ensuring that cash is available to the charity when needed. The performance of investments is reviewed periodically against agreed benchmarks.

Risk review

The trustees have put in place a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees continually review the adequacy of the charity's current internal controls. The trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been implemented to mitigate those risks. The significant external risks to the charity are noted within the key risks identified below and include the key financial risk of the charity not meeting its budget. Internal risks are minimised by the implementation of internal control procedures for authorisation of transactions and projects and through staff development. These procedures are reviewed periodically to ensure they still meet the needs of the charity.

The key risks as identified by the trustees include:

- A severe impact from the Covid-19 or other pandemic and the consequent potential impact on going concern;
- Staff recruitment challenges and periodic staff shortages the consequent impact on charitable expenditure against budget;
- Insufficient new resident referrals, or not maintaining fee levels and cash flow in the context of the inflationary pressures and complexities of the NHS contracting process; and
- Accommodation becoming unsuitable and an inability to meet planned capital expenditure schedules.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Reserves policy

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation and have established a policy whereby sufficient unrestricted reserves are retained in order to meet unforeseen increased working capital requirements at a level equal to at least six months' operating expenditure. In April 2021, the trustees further clarified the reserves policy with an additional aim to hold a level of reserves in liquid assets such as cash deposits or investment funds of at least three months' operating expenditure. The policy is still considered to be appropriate when it was reviewed in March 2023 and is to be reviewed again in 2024.

The strategy of the trustees is guided by the following principles:

- To build reserves through planned operating surpluses;
- To review the policy regularly in the light of financial performance and any changes in risk assessment;
- To apply this policy in conjunction with the investment policy, to enable a proportion of the reserve to be invested; and
- To limit the ability of the charity to draw from its reserves by only authorising the Chief Executive or Chair of Trustees to effect such a drawdown, with an obligation to report any such withdrawal to the Board.

The present level of unrestricted reserves not committed is £6,263,746, of which there is a designation of £2,965,422. This designated fund represents the net book value of the functional fixed assets of the charity and is therefore not deemed to be available to the charity for activities other than to which these assets are currently committed. The present level of reserves available to the charity for unforeseen working capital requirements is therefore £3,298,324, which, at around four to five months of operating expenditure, is just short of the six months target, based upon current levels of activity and budgets for the forthcoming years. The trustees consider that the strength of the charity's balance sheet, current stable cash flows and the results of recent risk management analysis indicate that the current level of reserves is adequate for the charity to meet its objectives.

Valuation of properties

In October 2020 the freehold properties at both sites (Lillington House and Helen Ley House) were subject to a periodic valuation, in accordance with UK GAAP in order to assess whether either property was impaired, as neither property is depreciated. This led to assessed valuations of £4,200,000 and £2,950,000 respectively, and were on an open market value basis. Previously, Lillington House had been assessed as having a value of £7,235,000 on a reinstatement/replacement basis for insurance purposes. As a result, the trustees made appropriate impairment adjustments to the carrying value of Lillington House in the 2021 financial statements.

As the carrying value of Helen Ley House, at £2,855,750 did not exceed its latest market valuation, the trustees were satisfied that it was not impaired and that its current carrying value is considered to be appropriate.

A fair value adjustment of a £135,000 gain for the investment property at Prologis Park has been made in the year to March 2023, based on the fact that the property was disposed after the year end, in October 2023, for £2,535,000.

No adjustments were made to the carrying values of the properties for the year ended 31 March 2023, which the trustees consider to currently be shown at a carrying value which is relevant and fair.

Fundraising

Whilst the charity does incur some expenditure in respect of fundraising activities, including professional fees for a third-party agent in respect of corporate charity donations, these are considered to be on a small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the charity is not registered with the Fundraising Regulator, although the trustees will keep the situation under review.

The trustees would like to acknowledge their sincere gratitude for the donations in the year from: The Wolfson Foundation, Edward Cadbury Charitable Trust, WPH Charitable Trust, The King Henry VIII Endowed Trust, The Hobson Charity and Helena Grant. The majority of these donations helped to fund the Helen Ley House new Build project.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF PUBLIC BENEFIT

The trustees are mindful of the need to demonstrate public benefit in the operation of both Royal Midland Counties Home for the Disabled (RMCHD) and Castel Froma Neuro Care Limited. For many years the charity had operated at a trading loss and had been wholly dependent upon RMCHD to provide substantial donations in order to keep the charity running. The trustees are now pursuing a strategy of maintaining realistic fee levels whilst also ensuring that costs are actively managed, which has started to produce financial stability for the charity.

The trustees have duly considered the Charity Commission's published guidance on public benefit requirements under the Charities Act 2011.

As such, the trustees carry out those objects and activities by contracting with, amongst others, NHS England and various clinical commissioning groups to provide:-

- Rehabilitation of individuals following catastrophic brain traumas; and
- Continuing specialist and complex care for individuals with ongoing brain related traumas and physical disabilities

As a result of this, the charity is deemed to demonstrate a public benefit in assisting the NHS and other public bodies by offering a more tailored solution to these individuals whose complex and often long-term care needs would otherwise place a significant burden on publicly funded resources and facilities.

Furthermore, in common with other charities in the care sector, the fees charged to residents are based on a structure of cost recovery that extends only to direct care costs and ancillary overheads but which excludes a charge for room rental. As such the charity is considered to offer a demonstrable public benefit to residents, their families and wider society in providing this service within the context of its overall care obligations.

The charity is open to all who may benefit from the highly intensive services offered at Castel Froma Neuro Care Limited. We know we could do more and that is why we are seeking to develop the existing premises which, in addition to providing more appropriate facilities and surroundings, will allow the charity to offer its services to more potential residents. A broader range of services is contemplated which would offer further support to those needing the specialised service we offer. This approach is entirely driven by the charity's objective of relieving persons with physical disabilities by the provision of care.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors of Castel Froma Neuro Care Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2019 (FRS 102);
- 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;
- 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

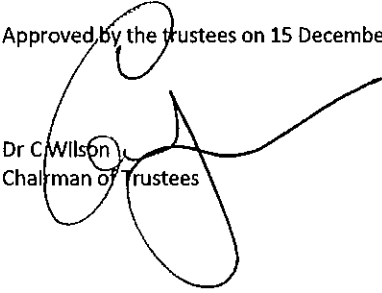
Auditors

Harrison Beale & Owen Limited have expressed their willingness to continue in the capacity of the company's auditors.

Approval of Strategic Report

In approving the Trustees' Annual Report we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the trustees on 15 December 2023 and signed on their behalf by:


Dr C Wilson
Chairman of Trustees

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Castel Froma Neuro Care Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2023

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Auditor's responsibilities for the audit of the financial statements

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

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 audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

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



Mark Ashfield BA FCA (Senior Statutory Auditor)
For and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

15 December 2023

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including Income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted Funds	Restricted and Endowment Funds	Total 2023	Total 2022
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	8,888	156,298	165,186	77,792
Charitable activities					
Operation of care centres:	2				
Residential fees		7,587,804	-	7,587,804	6,908,509
Hydrotherapy		-	-	-	18,640
Government grants		-	-	-	207,110
Investments	3	183,793	-	183,793	179,521
Other	2	8,999	-	8,999	6,324
Total Income and endowments	2	7,789,484	156,298	7,945,782	7,397,896
Expenditure on:					
Raising funds	4	85,658	-	85,658	49,487
Charitable activities:					
Operation of care centres	9	8,322,048	207,676	8,529,724	7,699,456
Total expenditure		8,407,706	207,676	8,615,382	7,748,943
Net expenditure	7	(618,222)	(51,378)	(669,600)	(351,047)
Transfers between funds	19	-	-	-	-
Other recognised gains/ (losses):					
Other gains/ (losses)	6	84,091	-	84,091	(2,957)
Net movement in funds		(534,131)	(51,378)	(585,509)	(354,004)
Reconciliation of funds					
Total fund balances brought forward at 1 April 2022	19	6,797,877	4,325,033	11,122,910	11,476,914
Total fund balances carried forward at 31 March 2023		<u>6,263,746</u>	<u>4,273,655</u>	<u>10,537,401</u>	<u>11,122,910</u>

All Income and expenditure derive from continuing activities.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

BALANCE SHEET AS AT 31 MARCH 2023

		2023 £	2022 £
	Note		
Fixed assets			
Tangible assets	10	8,170,729	7,978,016
Investments	11	2,916,179	3,106,778
		<u>11,086,908</u>	<u>11,084,794</u>
Current assets			
Stock	12	94,297	117,267
Debtors	13	553,296	494,318
Cash at bank and in hand		321,484	586,529
		<u>969,077</u>	<u>1,198,114</u>
Creditors : amounts falling due within one year	14	(619,901)	(595,565)
Net current assets		<u>349,176</u>	<u>602,549</u>
Total assets less current liabilities		11,436,084	11,687,343
Creditors : amounts falling due in more than one year	15	(898,683)	(564,433)
Net assets		<u>10,537,401</u>	<u>11,122,910</u>
Unrestricted funds			
General funds			
General	19	2,463,324	2,965,224
Fair value reserve	19	835,000	700,000
Total General funds		3,298,324	3,665,224
Designated funds	19	2,965,422	3,132,653
		<u>6,263,746</u>	<u>6,797,877</u>
Restricted funds	19	23,655	75,033
Endowment fund	19	4,250,000	4,250,000
(held by Castel Froma Neuro Care Ltd as a trustee of RMCHD)		<u>10,537,401</u>	<u>11,122,910</u>

These accounts were approved by the Board of Trustees on 15 December 2023 and signed on its behalf by

DR C WILSON
Chairman

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		2023 £	2022 £	
	Note			
Cash (used in)/ provided by operating activities	1	(559,513)	(363,541)	
Cash flows from investing activities				
Payments to acquire tangible fixed assets		(482,612)	(235,893)	
Payments to acquire fixed asset investments		(13,500)	(97,948)	
Receipts from disposal of fixed asset investments		287,488	-	
Interest received		6,868	3,585	
Rents received from investment properties		176,925	175,936	
Cash used in investing activities		(24,831)	(154,320)	
Cash flows from financing activities				
New loans advanced		406,000	-	
Repayment of long-term loans		(46,056)	(30,856)	
Interest paid		(41,347)	(18,415)	
Cash provided by/ (used in) financing activities		318,597	(49,271)	
Decrease in cash and cash equivalents		(265,747)	(567,132)	
Cash and cash equivalents at 1 April		595,826	1,162,958	
Cash and cash equivalents at 31 March		330,079	595,826	
Cash and cash equivalents consists of:				
Cash at bank and in hand		321,484	586,529	
Listed investments cash		8,595	9,297	
Cash and cash equivalents at 31 March		330,079	595,826	
Analysis of changes in net funds/ debt				
	At 1 April 2022 £	Cash flows £	Non-cash changes £	At 31 March 2023 £
Long term loans	(564,433)	(406,000)	71,750	(898,683)
Short term loans	(30,930)	46,056	(71,750)	(56,624)
Total liabilities	(595,363)	(359,944)	-	(955,307)
Cash and cash equivalents	595,826	(265,747)	-	330,079
Total net funds/ (debt)	463	(625,691)	-	(625,228)

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2023

1. Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net movement in funds	(585,509)	(354,004)
Rents received from investment properties	(176,925)	(175,936)
Interest receivable	(6,868)	(3,585)
Interest payable	41,347	18,415
Depreciation of tangible fixed assets	289,899	325,791
(Gains)/ losses on Investments and investment property	(84,091)	2,957
Decrease in stock	22,970	60,130
Increase in debtors	(58,978)	(184,974)
Decrease in creditors	(1,358)	(52,335)
Net cash used in operating activities	<u>(559,513)</u>	<u>(363,541)</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below as follows. These policies have been consistently applied unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Castel Froma Neuro Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are presented in sterling, which is the functional currency of the charitable company and rounded to the nearest £.

b) Preparation of the accounts on a going concern basis

The charity reported an adverse net movement in funds of £585,509. However, it should be noted that this performance was again in the context of incremental costs arising from the continued impact of Covid-19 and severe inflationary pressures in what has been a volatile economic and political environment. The trustees remain of the view that the charity's future plans, including its plans for expansion, forecasts for net income and operating cash inflows, along with the level of reserves, suggest that the charity's immediate future is secured for the 12 months following the authorisation of these accounts. Accordingly, on this basis the trustees consider that no material uncertainties exist and that the charitable company is therefore a going concern.

c) Income

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

Income from government and other grants, whether "capital" grants or "revenue" 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 and is not deferred.

Government grants arising from the impact of Coronavirus (COVID-19) with the purpose of compensating the charitable company for incremental expenditure arising and for claims made under the Job Retention Scheme are recognised in the period in which they become receivable.

For legacies, entitlement is the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of any care services provided is deferred until the criteria for income recognition are met (see note 14).

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

1 Principal accounting policies (continued)

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from investment property is accounted for on a straight-line basis over the period of the lease.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

Endowment funds represent those assets which must be held permanently by the charity, principally the property at Lillington Road.

e) Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise property management fees and property related interest and costs; and staff and professional fees associated with raising funds.
- Expenditure on charitable activities includes the costs associated with the provision of care and accommodation for severely physically disabled people and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Support costs

Support costs are those functions that assist the work of the charity but do not directly represent charitable activities and include office costs, finance, personnel, payroll and governance costs. Where support costs cannot be directly attributed to particular headings, they have been allocated to the cost of raising funds and expenditure on charitable activities. Costs are allocated to activities based on a relevant indicator for use of resources (e.g. staff allocated by activity; floor area of building; equipment allocated by activity). The bases on which support costs have been allocated are set out in note 9.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

1 Principal accounting policies (continued)

g) Leases and hire purchase

Assets acquired under hire purchase contracts are capitalised and depreciated over their expected useful lives. Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

h) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and buildings	0% p.a.
Motor vehicles	25% p.a. reducing balance
Fixtures, fittings and equipment	15%, p.a., 20% p.a. and 33.3% p.a. straight line

Freehold land and buildings are not depreciated as the charity maintains the properties to a high standard and their residual values are regularly measured on the basis of fair value and reinstatement cost as a means to assess their carrying values in the financial statements. This informs an annual impairment review, which is undertaken to establish the recoverable value of all properties.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA.

i) Investments

Listed Investments are stated at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are recognised in the SOFA. Gains or losses on Investments are calculated as the difference between the disposal proceeds and the market value brought forward.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in "Other gains/ (losses)" in the SOFA.

Cash and cash equivalents comprise cash at banks, on deposit and in hand where there is a maturity of less than one year.

j) Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all costs of purchase and other costs incurred in bringing stock to its present location and condition.

k) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

l) Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

1 Principal accounting policies (continued)

m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

n) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

o) Company status and general information

The charity is a private company incorporated in England and Wales and is limited by guarantee, with no share capital. The members of the company include the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office and registered numbers of the company and charity are shown in the charity information on page 2 of these financial statements.

p) Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS 102, the charity must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual financial statements. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. The trustees do not consider any of the estimates or judgements applied to be significant to the financial statements.

2 Income and endowments

Income from donations and legacies was £165,186 (2022: £77,792) of which £156,298 (2022: £Nil) was attributable to restricted funds and £8,888 (2022: £77,792) was attributable to unrestricted funds.

Income from charitable activities was £7,587,804 (2022: £7,134,259) all of which was attributable to unrestricted funds and related to the provision of care services. Included in income from charitable activities were government grants of £Nil (2022: £207,110) in respect of additional funding for Covid-19 related expenditure.

Other income was £8,999 (2022: £6,324) all of which was attributable to unrestricted funds and related to the provision of other services.

3 Investment income

	2023	2022
	£	£
Rental income and income under operating leases	176,925	175,936
Interest and dividend income	6,868	3,585
	<u>183,793</u>	<u>179,521</u>

All investment income in the current and prior years was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

4 Expenditure on raising funds

	2023	2022
	£	£
Professional fees for direct fundraising costs	20,860	14,213
Professional fees for investing activities	6,514	8,633
Property management fees and repairs	16,937	8,226
Bank loan interest	41,347	18,415
	<u>85,658</u>	<u>49,487</u>

Of the expenditure on raising funds above, only £20,860 (2022: £14,213) related directly to donations and legacy income in the financial statements. Other expenditure is associated with professional and property management fees in respect of fixed asset investments and investment property; and the cost of servicing secured loans as disclosed in note 15.

All expenditure on raising funds in the current and prior year was attributable to unrestricted funds.

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2023	2022
	£	£
Wages and salaries	5,847,361	5,073,987
Social security costs	472,932	402,634
Pensions	107,321	97,575
	<u>6,427,614</u>	<u>5,574,196</u>

Wages and salaries include agency staff costs totalling £520,237 (2022: £343,117).

The trustees neither received nor waived any remuneration during the year (2022: £Nil). No trustee was reimbursed expenses during the current or prior year.

The number of staff whose emoluments fell within the following bands was as follows:-

	No.	No.
£60,001 to £70,000	1	2
£70,001 to £80,000	5	2
£80,001 to £90,000	1	-
£90,001 to £100,000	1	-
£110,001 to £120,000	1	1

Nine (2022: Five) employees earning over £60,000 (2022: £60,000) were accruing retirement benefits under a defined contribution scheme. In the year, employer contributions of £14,059 (2022: £11,279) were made in respect of these employees.

The average monthly headcount was 205 staff (2022: 196 staff) and the average monthly number of full-time equivalent employees (including part time staff) during the year was:

	2023	2022
	No.	No.
Management	6	6
Administration	6	6
Nursing	30	31
Ancillary care	85	83
Therapy	24	21
Housekeeping	14	14
Services	5	5
	<u>170</u>	<u>166</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The key management of the charity comprise the Trustees, the Chief Executive, the Deputy Chief Executive, the Clinical Leads and the Nominated individual. The total employee benefits of the key management personnel of the charity were as follows:

	2023	2022
	£	£
Key management employee benefits	448,986	333,994
	<u> </u>	<u> </u>

6 Other gains and losses

Other gains and losses include realised losses of £8,918 (2022: £Nil) and an unrealised loss of £41,991 (2022: loss of £2,957) in respect of listed investments. Additionally, a fair value gain of £135,000 (2022: £Nil) has been recognised on the charitable company's investment property.

7 Net expenditure/ income

	2023	2022
	£	£
Net (expenditure)/ income is stated after charging/ (crediting):-		
Other operating leases and equipment hire	32,839	38,436
Depreciation – owned assets	289,899	325,791
Government grants – Other	-	(207,110)
Income from operating lease arrangements	(176,925)	(175,936)
Auditors' remuneration	8,000	8,000
	<u> </u>	<u> </u>

8 Interest payable

	2023	2022
	£	£
Bank loan interest	41,437	18,415
	<u> </u>	<u> </u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

9 Analysis of expenditure on charitable activities

	Operation of Care centres	Therapies	Total 2023	Total 2022
	£	£	£	£
Staff	4,461,228	798,639	5,259,867	4,586,702
Rent & rates	19,871	2,707	22,578	30,059
Light, heat & power	143,293	19,540	162,833	137,168
Supplies (medical, catering & cleaning)	455,685	74,181	529,866	427,381
Repairs & maintenance	186,720	25,462	212,182	233,375
Training	34,673	5,644	40,317	25,215
Subscriptions	57,234	9,316	66,550	66,544
Motor & travelling expenses	11,972	1,949	13,921	9,740
Insurance	93,152	15,164	108,316	100,397
Bank charges & Interest	2,182	-	2,182	1,522
Depreciation	260,909	28,990	289,899	325,787
General expenses	84,168	41,396	125,564	123,638
Covid-19 expenses	101,729	16,561	118,290	250,085
	<u>5,912,816</u>	<u>1,039,549</u>	<u>6,952,365</u>	<u>6,317,613</u>

Allocation of support and governance costs to activities	Operation of Care centres	Total 2023	Total 2022
	£	£	£
Wages and salaries & related costs (allocated on time)	1,059,165	1,059,165	887,158
General (pro rata to staff full time equivalent)	170,131	170,131	150,124
Legal and other professional fees	<u>140,953</u>	<u>140,953</u>	<u>137,564</u>
Support costs	1,370,249	1,370,249	1,174,846
Governance costs (allocated on time)	207,110	207,110	206,997
Direct costs		6,952,365	6,317,613
Total costs relating to the operation of the care centres		<u>8,529,724</u>	<u>7,699,456</u>

Governance costs comprise the following:-

	2023	2022
	£	£
Staff costs	108,582	100,336
Legal and professional fees	98,528	106,661
	<u>207,110</u>	<u>206,997</u>

Expenditure on charitable activities was £8,529,724 (2022: £7,699,456) of which £206,776 (2022: £Nil) was attributable to restricted funds and £8,322,048 (2022: £7,699,456) was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

10	Tangible fixed assets	Freehold land & buildings £	Motor Vehicles £	Fixtures fittings & equipment £	Total £
	Cost or valuation				
	At 1 April 2022	7,620,698	158,116	4,472,307	12,251,121
	Additions	383,687	-	98,925	482,612
	At 31 March 2023	8,004,385	158,116	4,571,232	12,733,733
	Depreciation				
	At 1 April 2022	510,420	128,395	3,634,290	4,273,105
	Charge for the period	-	7,456	282,443	289,899
	At 31 March 2023	510,420	135,851	3,916,733	4,563,004
	Net book value				
	At 31 March 2023	7,493,965	22,265	654,499	8,170,729
	At 31 March 2022	7,110,278	29,721	838,017	7,978,016

Freehold land and buildings comprise the sites at Lillington Road (Lillington House) with a carrying value of £4,235,616 and at Bericote Lane (Helen Ley House) with a carrying value of £3,258,349. Both sites were valued in October 2020 by Wareing & Company, which resulted in an impairment loss of £510,420 for Lillington House in the year to 31 March 2021 but no change in the carrying value for Helen Ley House. If freehold land and buildings had not been revalued they would have been included at a historical cost of £4,931,594.

11	Investments	2023 £	2022 £
	Listed Investments		
	Market value at 1 April 2022	697,481	602,490
	Additions	13,500	97,948
	Disposals	(296,406)	-
	Unrealised gains/ (losses)	(41,991)	(2,957)
	Market value at 31 March 2023	372,584	697,481
	Historical cost at 31 March 2023	396,608	679,514
	Listed Investments are represented by:		
	Equity shares and fixed interest securities	372,584	697,481
	Cash	8,595	9,297
	As at 31 March 2023	381,179	706,778
	Investment property	2023	2022
	Valuation	£	£
	Balance at 1 April 2022	2,400,000	2,400,000
	Unrealised gain	135,000	-
	Balance at 31 March 2023	2,535,000	2,400,000
	Total Investments	2,916,179	3,106,778

Investment property was valued on a fair value basis of £2,535,000 (2022: £2,400,000) by the trustees as at 31 March 2023. The method and significant assumptions underlying this assessment of fair value was by reference to recent rent yields based on the type of property and its geographical location. However, in October 2023, the property was disposed for proceeds of £2,535,000 and the fair value has been amended accordingly.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

12	Stock	2023	2022
		£	£
	Domestic supplies and consumables	94,297	117,267
13	Debtors	2023	2022
		£	£
	Trade debtors	147,588	287,060
	Prepayments and accrued income	405,708	207,258
		553,296	494,318

All debtors are short term financial assets that are debt instruments measured at amortised cost.

14	Creditors: amounts falling due within one year	2023	2022
		£	£
	Bank loans and overdraft	56,624	30,930
	Trade creditors	242,710	217,244
	Accruals and deferred income	193,079	220,368
	Other taxation and social security	120,157	100,270
	Other creditors	7,331	26,753
		619,901	595,565

Included in accruals and deferred income is fee and rental income relating to later periods totalling £60,934 (2022: £34,918) which has been deferred in the year ended 31 March 2023. Amounts of £34,918 were released from the previous accounting period.

15	Creditors: amounts falling due in more than one year	2023	2022
		£	£
	Bank loans	898,683	564,433
		898,683	564,433

All creditors are financial assets that are debt instruments measured at amortised cost.

The bank loans and bank overdraft are secured on freehold property, investment property and freehold land. Bank loans incur interest at both a variable rate (base rate plus 2.75%) and fixed rates of both 3.27% and 6.8%.

All bank loans, including an additional bridging loan advanced after the year end, were settled in full in October 2023, following the disposal of the charity's investment property.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
15 Creditors: amounts falling due in more than one year (continued)		
Loans		
An analysis of the maturity of loans is given below:		
Amounts falling due within one year or on demand:		
Bank loans	56,624	30,930
	<u>56,624</u>	<u>30,930</u>
Amounts falling due between one and two years:		
Bank loans	56,624	30,930
	<u>56,624</u>	<u>30,930</u>
Amounts falling due between two and five years:		
Bank loans	169,872	92,789
	<u>169,872</u>	<u>92,789</u>
Amounts falling due after five years:		
Bank loans	672,187	440,714
	<u>672,187</u>	<u>440,714</u>
	<u>955,307</u>	<u>595,363</u>
	<u>955,307</u>	<u>595,363</u>
16 Operating lease commitments		
At 31 March 2023 the charity had minimum lease payments under non-cancellable operating leases as follows:		
	2023	2022
	£	£
Expiry date:		
Within 1 year	4,698	6,336
Between 1 and 5 years	2,902	5,397
Over 5 years	-	144
	<u>7,600</u>	<u>11,877</u>
	<u>7,600</u>	<u>11,877</u>
At 31 March 2023 the charity had minimum lease receipts due under non-cancellable operating leases as follows:		
	2023	2022
	£	£
Expiry date:		
Within 1 year	175,000	68,500
Between 1 and 5 years	306,250	-
	<u>481,250</u>	<u>68,500</u>
	<u>481,250</u>	<u>68,500</u>
17 Residents' savings		
An amount of £13,270 (2022: £9,868) is held in two secure bank accounts on behalf of residents. All accounting records for transactions made on behalf of residents are segregated from the records of the charitable company.		

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

18 Pension commitments

The charitable company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charitable company and amounted to £107,321 (2022: £97,575). Included within creditors is an amount due to scheme providers totalling £22,452 (2022: £20,895).

19 Analysis of charitable funds

	At 1 April 2022 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2023 £
Analysis of movements in unrestricted funds:					
General reserve					
General	2,965,224	7,789,484	(8,159,716)	(131,668)	2,463,324
Fair value reserve	700,000	135,000	-	-	835,000
Total General reserve	<u>3,665,224</u>	<u>7,924,484</u>	<u>(8,159,716)</u>	<u>(131,668)</u>	<u>3,298,324</u>
Designated reserve					
Fixed asset fund	3,132,653	-	(298,899)	131,668	2,965,422
Unrestricted funds	<u>6,797,877</u>	<u>7,924,484</u>	<u>(8,458,615)</u>	<u>-</u>	<u>6,263,746</u>
Analysis of movements in restricted funds:					
Restricted revenue funds					
Nurses' social committee fund	3,274	-	-	-	3,274
Helen Ley physio equipment	4,241	-	(4,241)	-	-
New build professional fees	13,670	-	(596)	-	13,074
Software fund	1,543	-	(599)	-	944
Leisure and sporting activities	1,972	-	(178)	-	1,794
Other	4,808	1,298	(1,537)	-	4,569
	<u>29,508</u>	<u>1,298</u>	<u>(7,151)</u>	<u>-</u>	<u>23,655</u>
Restricted capital funds					
New build fund	25	150,000	(195,525)	45,500	-
Helen Ley – new ensuite room	45,500	-	-	(45,500)	-
Helen Ley – Cosy corner	-	5,000	(5,000)	-	-
	<u>75,033</u>	<u>156,298</u>	<u>(207,676)</u>	<u>-</u>	<u>23,655</u>
Endowment fund (RMCHD)	4,250,000	-	-	-	4,250,000
Total funds	<u>11,122,910</u>	<u>8,080,782</u>	<u>(8,666,291)</u>	<u>-</u>	<u>10,537,401</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

19 Analysis of charitable funds (continued)

The general reserve represents the free funds of the charity which are not designated for particular purposes.

The fair value reserve represents cumulative surpluses arising from annual remeasurements of the charitable company's investment property at fair value through the Statement of Financial Activities.

Designated unrestricted funds include reserves invested in fixed assets and land and property assets held for resale less the associated bank loans.

The endowment fund is held by Royal Midland Counties Home for the Disabled and comprises a permanent endowment of £4,250,000, being the site of the charity's registered address (represented within freehold land & buildings in note 10). On 1 April 2011 the endowment fund was placed under the protection of the trustees of Castel Froma Neuro Care Limited under a Uniting Direction. The endowment fund is being held by Castel Froma Neuro Care Limited as a trustee of Royal Midland Counties Home for the Disabled.

The restricted funds are those funds which have been used in accordance with restrictions imposed by donors or funds which have been raised by the charity for specific purposes.

The nurses' social committee fund represents amounts received from the Mary Hallam estate to be spent by the committees.

The Helen Ley physio equipment fund arose out of specific donations received and appeals made by the charity as a contribution towards the cost of this charitable activity.

The new build professional fees fund represents a specific donation to cover some of the upfront costs associated with the proposed new build site.

The software fund represents amounts donated by Royal Midlands Counties Home for the Disabled and other donors to install relevant software and purchase the necessary support and testing required to bring it into full operational use.

The leisure and sporting activities fund represents amounts donated towards additional leisure and sporting activities for the benefit of residents.

Other restricted funds comprise funds in relation to: People's postcode lottery; Specialist training; and The English Project.

The new build and ensuite funds represent funds raised to assist in the future development of the charity's care centres and have been used as part of the expansion of Heley Ley House.

The Helen Ley cosy corner fund represents amounts spent in improving an area within Helen Ley House and was funded by a specific donation.

Where a transfer has been made from restricted to unrestricted funds, this is to reflect that the terms of a restricted capital donation have been met once the associated fixed assets have been acquired. The net book values of the associated assets are included in the fixed asset designated fund.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Long term creditors £	Total £
Unrestricted funds					
General reserve	-	2,916,179	382,145	-	3,298,324
Designated reserve	3,920,729	-	(56,624)	(898,683)	2,965,422
Restricted funds	-	-	23,655	-	23,655
Endowment fund	4,250,000	-	-	-	4,250,000
	8,170,729	2,916,179	349,176	(898,683)	10,537,401

21 Related party transactions

There were no related party transactions during the year (2022: £Nil).

22 Capital commitments

The charity had capital commitments at the year-end of £770,000 (2022: £Nil).

23 Controlling Interest

The charity is controlled by the trustees.

24 Post balance sheet event

The charity disposed of its investment property in October 2023 and realised proceeds of £2,535,000. The funds released were used initially to settle bank loans and associated selling costs in the region of £1.5 million.

CASTEL FROMA NEURO CARE LIMITED

England & Wales - Charity number 1100965

Accounts

**CASTEL FROMA NEURO CARE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CHARITY NUMBER 1100965

COMPANY NUMBER 04777559

**Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Sydenham
Leamington Spa
CV31 1XT**

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

CHAIRMAN'S REPORT

Castel Froma Neuro Care Limited is a charitable company limited by guarantee operating two care centres in Leamington Spa, providing day, respite and long-term care to people disabled with neurological conditions.

The financial year 2021-22 has again been an eventful one for the charity, as it has continued to operate stringent care practices to protect residents from Covid-19 at a time when the rest of the country has appeared to be embracing a return to normal life. This has led to continuing additional spend, particularly for enhanced use of PPE in line with guidance for organisations like ours. Along with others in the care sector, we have struggled to recruit and retain nurses against a backdrop of a national shortage. Agency fees paid to ensure safe care levels have contributed to a deficit for the year of £354k. This is being addressed via a vigorous and continuing recruiting programme in order to reduce to a minimum the use of agencies.

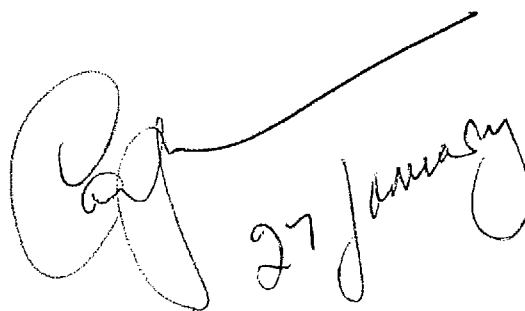
The Castel Froma site in Lillington Road (Lillington House) continues to provide long-term care for up to fifty-six residents whilst Helen Ley, which currently has a total of thirty-eight beds, is designed to provide a mix of respite and long-term care. Respite was on hold throughout 2021-22 but is now gradually re-starting.

It is our intention to improve facilities at both sites in the medium to long term and after putting plans on hold during the height of the pandemic, the board of trustees felt it was time to begin work on an extension to the Helen Ley site, and the construction of eight new bedrooms began in May 2022.

The work of the charity is only made possible by the efforts and good will of the staff and also many individuals who give their time freely in many different ways to offer support. This is very much appreciated.

Finally, I wish to thank my fellow trustees for their continued dedication and support.

Caroline Wilson
Chairman of Trustees
27 January 2023



27 January 2023

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (Including Directors' and Strategic Report)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees are pleased to present their annual report together with the audited financial statements of the charity for the year ended 31 March 2022 which are also prepared to meet the requirements for the strategic and directors' report and accounts for Companies Act purposes. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

On 1 April 2011 Castel Froma (as the charity was then known) merged with Royal Midland Counties Home for the Disabled, a charity under common control. Royal Midland Counties Home for the Disabled remains a separate charity, placed under a Uniting Direction with Castel Froma. On 1 April 2011 the expendable assets of Royal Midland Counties Home for the Disabled were transferred to Castel Froma and the permanent endowment was placed under the protection of the Trustees of Castel Froma. The following financial statements report the combined performance and financial position of Castel Froma and Royal Midland Counties Home for the Disabled.

Reference and administrative information

Castel Froma Neuro Care Limited:-

Registered charity number	1100965
Registered company number	04777559

Country of incorporation	England
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Royal Midland Counties Home for the Disabled registered charity number (Linked charity)	1100965-1
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Registered office	93 Lillington Road Leamington Spa Warwickshire CV32 6LL
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Auditors	Harrison Beale & Owen Limited Chartered Accountants and Statutory Auditor Highdown House, 11 Highdown Road Leamington Spa CV31 1XT
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Bankers	Lloyds Bank 73 The Parade Leamington Spa CV32 4BB
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Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa CV34 6BF
	Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Directors and trustees and officials

President	12 th Earl of Aylesford
Patron	Mr T Cox, Her Majesty's Lord Lieutenant of Warwickshire
Vice-President	Mrs D Dowdeswell OBE
Trustees	Dr C Wilson (Chairman) Mr G Murrell (Vice-Chairman) Mr S J Nicklin Mrs L Holiday Mr D Leigh-Hunt Dr D Stableforth Mr J Evison Ms E C Jackman (resigned 5 July 2022) Mrs A J Ford (appointed 18 January 2022; resigned 4 October 2022) Mr C Wade (appointed 18 January 2022; resigned 10 October 2022)
Ex-Officio	The Chairman of Warwick District Council His Worship the Mayor of Royal Leamington Spa
Senior Management Team	Mrs M Bawden (Chief Executive & Nominated individual) Mrs E Jackson (Deputy Chief Executive) Mr A Albu (Registered Manager, Lillington House) Mrs S Hook (Registered Manager, Helen Ley House) Mr S C Taylor (Consultant to the Board – resigned 31 July 2022) Ms K Grove (Clinical Compliance manager) Ms K Gates (Therapy manager)
Company Secretary	Mrs A M Stiles (resigned 30 November 2022) Mrs M Bawden (appointed 30 November 2022)
Care Standards Committee	Mrs L Holiday (Chair) Dr C Wilson Mr G Murrell Dr D Stableforth Mr S Nicklin
Finance, Assets & Risk Committee (including profiling & fundraising)	Mr G Murrell (Chair) Dr C Wilson Mr J Evison Mr D Leigh-Hunt Mrs L Holiday Mr S Nicklin Dr D Stableforth
Remuneration Committee	Mr D Leigh-Hunt (Chair) Dr C Wilson Mrs L Holiday Mr J Evison Mr S Nicklin Mr G Murrell

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Mission Statement

Day, respite and long-term residential care with 24-hour nursing care for those with neurological conditions

We run outstanding care and rehabilitation centres providing day, respite and long-term services for people disabled by neurological conditions.

Business Aims

- To provide the highest standard of nursing and care for individuals with neurological conditions who have complex needs;
- To bring together experts from every therapeutic field to help our residents live as full a life as possible;
- To integrate family, friends and the local community into the lives of our residents and provide a supportive environment for their carers;
- To excel in palliative and end of life care to help our residents live their last days as they would wish, free from pain and with as much dignity as possible;
- To extend our care beyond our centres, into the local community and onto a regional and national level;
- To operate within a financially and environmentally sustainable framework.

Principal activities

The principal activity of Castel Froma Neuro Care Limited is the provision of care and accommodation for severely physically disabled people. To achieve this objective the charity operates two registered care centres based at the following addresses:-

Lillington House
93 Lillington Road
Leamington Spa
Warwickshire
CV32 6LL

The Helen Ley Care Centre
Bericote Road
Blackdown
Leamington Spa
Warwickshire
CV32 6QP

The centres provide 24-hour nursing care, in addition to physiotherapy, occupational therapy, hydrotherapy, speech and language therapy, aromatherapy and reflexology.

The principal activity of Royal Midland Counties Home for the Disabled is to support Castel Froma Neuro Care Limited. The sale of approximately 1.5 acres of land in 2004 allowed Royal Midland Counties Home for the Disabled to invest a large sum of money in property. The monthly income has been allocated to projects in Castel Froma Neuro Care Limited for physically disabled people. All of the projects have directly benefited the residents.

Volunteers

In addition to approximately 196 paid employees, the charity also benefits from over 2,000 hours of donated time each year. This figure includes time spent at the care centre by committee members, drivers and letter writers, who all participate in fundraising events, visit residents, and accompany them on excursions outside the care centre.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing instrument

Castel Froma Neuro Care Limited is a charitable company limited by guarantee, incorporated on 27 May 2003 and registered as a charity on 1 December 2003. The company was established under a Memorandum of Association, as amended by special resolutions of 7 November 2003 and 25 November 2010, which established the objects and powers of the company and is governed under its Articles of Association.

Royal Midland Counties Home for the Disabled is an unincorporated association set up under a Trust Deed dated 27th June 1884, as amended on 1st April 2011.

Organisation and structure

The overall management of the charity is carried out by the Chief Executive who is directly responsible to the trustees. All nursing and care staff report to the Registered Managers and all non-medical staff report to their relevant line manager. The members of the Senior Management Team comprise the Deputy Chief Executive, Registered Managers and Therapy Manager, all of whom report to the Chief Executive.

Governance and internal control

The 'Board of Trustees' comprises the directors of the company. A list of those who served in these capacities during the period is set out on page 3. Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

A panel comprising existing committee members selects members of the three committees: the Care Standards Committee; the Finances, Assets and Risks Committee; and the Remuneration committee. The trustees meet quarterly.

New trustees are elected by the 'Board of Trustees'. New trustees are inducted during their first trustees' meeting. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Pay policy for senior staff

The pay of the senior staff is reviewed by the remuneration committee (at least annually) and normally increased in line with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size. If recruitment has proven difficult in the recent past a market addition may also be paid.

Plans for the future

In April 2022 the Board of Trustees authorised a contract for the construction of eight new bedrooms at Helen Ley House. The first phase of this project was the completion of foundation and drainage works; this phase commenced in May 2022.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Achievements and performance

2021-22 was another challenging year, not least because the charity continued to face restrictions and indeed incur additional costs due to the Covid-19 pandemic.

We continue to strive to provide a high standard of personalised care for all of our residents at both sites. To this end we have, where possible, maintained the number of hours each week in respect of physiotherapy, occupational therapy, psychology, dietician and speech and language therapy. The number of permanent residents at each site was lower than prior to the pandemic but it is pleasing to note that occupancy at Lillington House had started to increase by the end of the financial year. Respite care remained suspended due to the pandemic and, as a result, the occupancy at Helen Ley House was lower than in earlier years. The latest CQC inspection reports for both sites remain 'Good'.

Financial review

Details of the financial position of the charity are set out in the attached financial statements. Income for the year totalled £7,397,896 and expenditure totalled £7,748,943. Net expenditure for the year totalled £351,047 with total adverse movement in funds of £354,004 after other losses of £2,957. Unrestricted reserves at the year-end amounted to £6,797,877 and these comprised general reserves of £3,665,224 and designated reserves of £3,132,653. Restricted reserves comprise the restricted reserves of Castel Froma Neuro Care Limited totalling £75,033 and an endowment reserve of Royal Midland Counties Home for the Disabled, representing the value of the freehold property, being the site at 93 Lillington Road, amounting to £4,250,000 at the year end.

Investment policy

The charity's investments are held in accordance with the trustees' powers. The trustees have considered the most appropriate policy for investing the funds and have found that a mixture of property investment and investment in a portfolio of equities meets their requirements to generate both income and capital growth. The trustees take advice from suitable specialists on, amongst other things, the acceptable levels of risk and aim to generate a return above that of the rate of inflation, whilst ensuring that cash is available to the charity when needed. The performance of investments is reviewed periodically against agreed benchmarks.

Risk review

The trustees have put in place a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees continually review the adequacy of the charity's current internal controls. The trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been implemented to mitigate those risks. The significant external risks to the charity are noted within the key risks identified below and include the key financial risk of the charity not meeting its budget. Internal risks are minimised by the implementation of internal control procedures for authorisation of transactions and projects and through staff development. These procedures are reviewed periodically to ensure they still meet the needs of the charity.

The key risks as identified by the trustees include:

- A severe impact from the Covid-19 or other pandemic and the consequent potential impact on future reputation and expenditure;
- Periodic staff shortages within a very challenging recruitment sector and the consequent impact on charitable expenditure against budget;
- Maintaining fee levels and cash flow in the context of the complexities of the NHS contracting process; and
- Accommodation becoming unsuitable and an inability to meet planned capital expenditure schedules.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Reserves policy

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation and have established a policy whereby sufficient unrestricted reserves are retained in order to meet unforeseen increased working capital requirements at a level equal to at least six months' operating expenditure. In April 2021, the trustees further clarified the reserves policy with an additional aim to hold a level of reserves in liquid assets such as cash deposits or investment funds of at least three months' operating expenditure. The policy is still considered to be appropriate for 2022 and is to be reviewed again in 2023.

The strategy of the trustees is guided by the following principles:

- To build reserves through planned operating surpluses;
- To review the policy regularly in the light of financial performance and any changes in risk assessment;
- To apply this policy in conjunction with the investment policy, to enable a proportion of the reserve to be invested; and
- To limit the ability of the charity to draw from its reserves by only authorising the Chief Executive or Chair of Trustees to effect such a drawdown, with an obligation to report any such withdrawal to the Board.

The present level of unrestricted reserves not committed is £6,797,877, of which there is a designation of £3,132,653. This designated fund represents the net book value of the functional fixed assets of the charity and is therefore not deemed to be available to the charity for activities other than to which these assets are currently committed. The present level of reserves available to the charity for unforeseen working capital requirements is therefore £3,665,224, which, at around five months of operating expenditure, is just short of the six months target, based upon current levels of activity and budgets for the forthcoming years. The trustees consider that the strength of the charity's balance sheet, current stable cash flows and the results of recent risk management analysis indicate that the current level of reserves is adequate for the charity to meet its objectives.

Valuation of properties

In October 2020 the freehold properties at both sites (Lillington House and Helen Ley House) were subject to a periodic valuation, in accordance with UK GAAP in order to assess whether either property was impaired, as neither property is depreciated. This led to assessed valuations of £4,200,000 and £2,950,000 respectively, and were on an open market value basis. Previously, Lillington House had been assessed as having a value of £7,235,000 on a reinstatement/replacement basis for insurance purposes. The trustees have considered the market value of £4,200,000 above and accordingly accounted for an impairment of £510,420 in the 2021 financial statements.

As the carrying value of Helen Ley House, at £2,855,750 did not exceed its latest market valuation, the trustees were satisfied that it was not impaired and that its current carrying value is considered to be appropriate.

A fair value adjustment of a £400,000 gain for the investment property at Prologis Park was made in the year to March 2021, based on latest indicators derived from typical rental market yields in the geographical area and the category of property being assessed.

No adjustments were made to the carrying values of the properties for the year ended 31 March 2022, which the trustees consider to currently be valued on a relevant and fair basis.

Fundraising

Whilst the charity does incur some expenditure in respect of fundraising activities, including professional fees for a third-party agent in respect of corporate charity donations, these are considered to be on a small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the charity is not registered with the Fundraising Regulator, although the trustees will keep the situation under review.

The trustees would like to acknowledge their sincere gratitude for the donations in the year from: The Garfield Weston Foundation, WA Cadbury Charitable Trust, The Sylken Charitable Trust, The Hospital Saturday Fund, FC Stokes Trust, The Ratcliffe Foundation and The National Lottery Community Fund.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF PUBLIC BENEFIT

The trustees are mindful of the need to demonstrate public benefit in the operation of both Royal Midland Counties Home for the Disabled (RMCHD) and Castel Froma Neuro Care Limited. For many years the charity had operated at a trading loss and had been wholly dependent upon RMCHD to provide substantial donations in order to keep the charity running. The trustees are now pursuing a strategy of maintaining realistic fee levels whilst also ensuring that costs are actively managed, which has started to produce financial stability for the charity.

The trustees have duly considered the Charity Commission's published guidance on public benefit requirements under the Charities Act 2011.

As such, the trustees carry out those objects and activities by contracting with, amongst others, NHS England and various clinical commissioning groups to provide:-

- Rehabilitation of individuals following catastrophic brain traumas; and
- Continuing specialist and complex care for individuals with ongoing brain related traumas and physical disabilities

As a result of this, the charity is deemed to demonstrate a public benefit in assisting the NHS and other public bodies by offering a more tailored solution to these individuals whose complex and often long-term care needs would otherwise place a significant burden on publicly funded resources and facilities.

Furthermore, in common with other charities in the care sector, the fees charged to residents are based on a structure of cost recovery that extends only to direct care costs and ancillary overheads but which excludes a charge for room rental. As such the charity is considered to offer a demonstrable public benefit to residents, their families and wider society in providing this service within the context of its overall care obligations.

The charity is open to all who may benefit from the highly intensive services offered at Castel Froma Neuro Care Limited. We know we could do more and that is why we are seeking to develop the existing premises which, in addition to providing more appropriate facilities and surroundings, will allow the charity to offer its services to more potential residents. A broader range of services is contemplated which would offer further support to those needing the specialised service we offer. This approach is entirely driven by the charity's objective of relieving persons with physical disabilities by the provision of care.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors of Castel Froma Neuro Care Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2019 (FRS 102);
- 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;
- 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

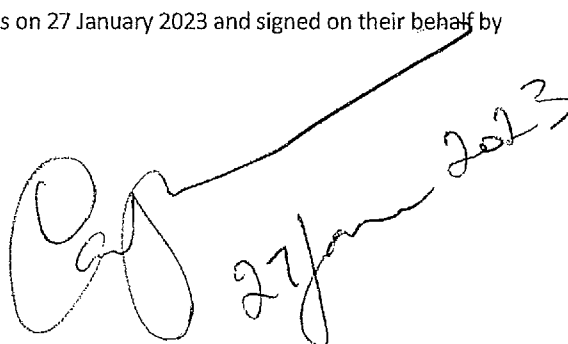
Harrison Beale & Owen Limited have expressed their willingness to continue in the capacity of the company's auditors.

Approval of Strategic Report

In approving the Trustees' Annual Report we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the trustees on 27 January 2023 and signed on their behalf by

Dr C Wilson
Chairman of Trustees

A handwritten signature in black ink, followed by the date '27 Jan 2023' written in a cursive style.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Castel Froma Neuro Care Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, not all future events or conditions can be foreseen. The Covid-19 viral pandemic is one of the most significant economic events there has been in the UK for many years, with unprecedented levels of uncertainty in predicting outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, beneficiaries, suppliers and the wider economy. Management's views on the impact of Covid-19 are disclosed in the strategic report and note 1 (b) of the financial statements.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2022

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Auditor's responsibilities for the audit of the financial statements

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

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 audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

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



Mark Ashfield BA FCA (Senior Statutory Auditor)
For and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

27 January 2023

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted Funds	Restricted and Endowment Funds	Total 2022	Total 2021
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	77,792	-	77,792	229,067
Charitable activities					
Operation of care centres:	2				
Residential fees		6,908,509	-	6,908,509	7,050,647
Hydrotherapy		18,640	-	18,640	23,258
Government grants		207,110	-	207,110	347,539
Investments	3	179,521	-	179,521	173,669
Other	2	6,324	-	6,324	25,226
Total income and endowments	2	7,397,896	-	7,397,896	7,849,406
Expenditure on:					
Raising funds	4	49,487	-	49,487	67,144
Charitable activities:					
Operation of care centres	9	7,699,456	-	7,699,456	8,480,505
Total expenditure		7,748,943	-	7,748,943	8,547,649
Net (expenditure)/ income	7	(351,047)	-	(351,047)	(698,243)
Transfers between funds	19	-	-	-	-
Other recognised gains/ (losses):					
Other gains/ (losses)	6	(2,957)	-	(2,957)	430,784
Net movement in funds		(354,004)	-	(354,004)	(267,459)
Reconciliation of funds					
Total fund balances brought forward at 1 April 2021	19	7,151,881	4,325,033	11,476,914	11,744,373
Total fund balances carried forward at 31 March 2022		<u>6,797,877</u>	<u>4,325,033</u>	<u>11,122,910</u>	<u>11,476,914</u>

All income and expenditure derive from continuing activities.

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

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

BALANCE SHEET AS AT 31 MARCH 2022

		2022 £	2021 £
	Note		
Fixed assets			
Tangible assets	10	7,978,016	8,067,914
Investments	11	3,106,778	3,014,784
		<u>11,084,794</u>	<u>11,082,698</u>
Current assets			
Stock	12	117,267	177,397
Debtors	13	494,318	309,344
Cash at bank and in hand		586,529	1,150,664
		<u>1,198,114</u>	<u>1,637,405</u>
Creditors : amounts falling due within one year	14	(595,565)	(645,867)
Net current assets		<u>602,549</u>	<u>991,538</u>
Total assets less current liabilities		11,687,343	12,074,236
Creditors : amounts falling due in more than one year	15	(564,433)	(597,322)
Net assets		<u>11,122,910</u>	<u>11,476,914</u>
Unrestricted funds			
General funds			
General	19	2,965,224	3,260,186
Fair value reserve	19	700,000	700,000
Total General funds		<u>3,665,224</u>	<u>3,960,186</u>
Designated funds	19	<u>3,132,653</u>	<u>3,191,695</u>
		6,797,877	7,151,881
Restricted funds	19	75,033	75,033
Endowment fund	19	4,250,000	4,250,000
(held by Castel Froma Neuro Care Ltd as a trustee of RMCHD)		<u>11,122,910</u>	<u>11,476,914</u>

These accounts were approved by the Board of Trustees on 27 January 2023 and signed on its behalf by

DR C WILSON
Chairman

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022 £	2021 £	
	Note			
Cash (used in)/ provided by operating activities	1	(363,541)	689,256	
Cash flows from investing activities				
Payments to acquire tangible fixed assets		(235,893)	(139,416)	
Payments to acquire fixed asset investments		(97,948)	(219,968)	
Receipts from disposal of fixed asset investments		-	30,300	
Interest received		3,585	1,569	
Rents received from investment properties		175,936	172,100	
Cash used in investing activities		(154,320)	(155,415)	
Cash flows from financing activities				
Repayment of long-term loans		(30,856)	(27,696)	
Interest paid		(18,415)	(19,201)	
Cash used in financing activities		(49,271)	(46,897)	
(Decrease)/ Increase in cash and cash equivalents		(567,132)	486,944	
Cash and cash equivalents at 1 April		1,162,958	676,014	
Cash and cash equivalents at 31 March		595,826	1,162,958	
Cash and cash equivalents consists of:				
Cash at bank and in hand		586,529	1,150,664	
Listed investments cash		9,297	12,294	
Cash and cash equivalents at 31 March		595,826	1,162,958	
Analysis of changes in net funds				
	At 1 April 2021 £	Cash flows £	Non-cash changes £	At 31 March 2022 £
Long term loans	(597,322)	-	32,889	(564,433)
Short term loans	(28,897)	30,856	(32,889)	(30,930)
Total liabilities	(626,219)	30,856	-	(595,363)
Cash and cash equivalents	1,162,958	(567,132)	-	595,826
Total net funds	536,739	(536,276)	-	463

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2022

1. Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds	(354,004)	(267,459)
Rents received from investment properties	(175,936)	(172,100)
Interest receivable	(3,585)	(1,569)
Interest payable	18,415	19,201
Depreciation and impairment of tangible fixed assets	325,791	900,146
Losses/ (Gains) on investments	2,957	(430,784)
Decrease/ (Increase) in stock	60,130	(105,681)
(Increase)/ Decrease in debtors	(184,974)	573,886
(Decrease)/ Increase in creditors	(52,335)	173,616
Net cash (used in)/ provided by operating activities	<u>(363,541)</u>	<u>689,256</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below as follows. These policies have been consistently applied unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Castel Froma Neuro Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are presented in sterling, which is the functional currency of the charitable company and rounded to the nearest £.

b) Preparation of the accounts on a going concern basis

The charity reported an adverse net movement in funds of £354,004. However, it should be noted that this performance was again in the context of significant restrictions imposed by, and incremental costs arising from, the continued impact of Covid-19. The trustees remain of the view that the charity's future plans, including its plans for expansion, forecasts for net income and operating cash inflows, along with the level of reserves, suggest that the charity's immediate future is secured for the 12 months following the authorisation of these accounts. Accordingly, on this basis the trustees consider that no material uncertainties exist and that the charitable company is therefore a going concern.

c) Income

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

Income from government and other grants, whether "capital" grants or "revenue" 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 and is not deferred.

Government grants arising from the impact of Coronavirus (COVID-19) with the purpose of compensating the charitable company for incremental expenditure arising and for claims made under the Job Retention Scheme are recognised in the period in which they become receivable.

For legacies, entitlement is the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of any care services provided is deferred until the criteria for income recognition are met (see note 14).

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

1 Principal accounting policies (continued)

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from investment property is accounted for on a straight-line basis over the period of the lease.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

Endowment funds represent those assets which must be held permanently by the charity, principally the property at Lillington Road.

e) Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise property management fees and property related interest and costs; and staff and professional fees associated with raising funds.
- Expenditure on charitable activities includes the costs associated with the provision of care and accommodation for severely physically disabled people and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Support costs

Support costs are those functions that assist the work of the charity but do not directly represent charitable activities and include office costs, finance, personnel, payroll and governance costs. Where support costs cannot be directly attributed to particular headings, they have been allocated to the cost of raising funds and expenditure on charitable activities. Costs are allocated to activities based on a relevant indicator for use of resources (e.g. staff allocated by activity; floor area of building; equipment allocated by activity). The bases on which support costs have been allocated are set out in note 9.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

1 Principal accounting policies (continued)

g) Leases and hire purchase

Assets acquired under hire purchase contracts are capitalised and depreciated over their expected useful lives. Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

h) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and buildings	0% p.a.
Motor vehicles	25% p.a. reducing balance
Fixtures, fittings and equipment	15%, p.a., 20% p.a. and 33.3% p.a. straight line

Freehold land and buildings are not depreciated as the charity maintains the properties to a high standard and their residual values are regularly measured on the basis of fair value and reinstatement cost as a means to assess their carrying values in the financial statements. This informs an annual impairment review, which is undertaken to establish the recoverable value of all properties.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA.

i) Investments

Listed investments are stated at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are recognised in the SOFA. Gains or losses on investments are calculated as the difference between the disposal proceeds and the market value brought forward.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in "Other gains/ (losses)" in the SOFA.

Cash and cash equivalents comprise cash at banks, on deposit and in hand where there is a maturity of less than one year.

j) Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

k) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

l) Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

1 Principal accounting policies (continued)

m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

n) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

o) Company status and general information

The charity is a private company incorporated in England and Wales and is limited by guarantee, with no share capital. The members of the company include the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office and registered numbers of the company and charity are shown in the charity information on page 2 of these financial statements.

p) Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS 102, the charity must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual financial statements. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. The trustees do not consider any of the estimates or judgements applied to be significant to the financial statements.

2 Income and endowments

Income from donations and legacies was £77,792 (2021: £229,067) of which £Nil (2021: £Nil) was attributable to restricted funds and £77,792 (2021: £229,067) was attributable to unrestricted funds.

Income from charitable activities was £7,134,259 (2021: £7,421,444) all of which was attributable to unrestricted funds and related to the provision of care services. Included in income from charitable activities were government grants of £207,110 (2021: £347,539) in respect of additional funding for Covid-19 related expenditure.

Other income was £6,324 (2021: £25,226) all of which was attributable to unrestricted funds and related to the provision of other services.

3 Investment income

	2022	2021
	£	£
Rental income and income under operating leases	175,936	172,100
Interest and dividend income	3,585	1,569
	179,521	173,669

All investment income in the current and prior years was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

4 Expenditure on raising funds

	2022	2021
	£	£
Professional fees for direct fundraising costs	14,213	30,287
Professional fees for investing activities	8,633	5,187
Property management fees and repairs	8,226	12,469
Bank loan interest	18,415	19,201
	<u>49,487</u>	<u>67,144</u>

Of the expenditure on raising funds above, only £14,213 (2021: £30,287) related directly to donations and legacy income in the financial statements. Other expenditure is associated with professional and property management fees in respect of fixed asset investments and investment property; and the cost of servicing secured loans as disclosed in note 15.

All expenditure on raising funds in the current and prior year was attributable to unrestricted funds.

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2022	2021
	£	£
Wages and salaries	5,073,987	5,085,850
Social security costs	402,634	372,109
Pensions	97,575	104,923
	<u>5,574,196</u>	<u>5,562,882</u>

Wages and salaries include agency staff costs totalling £343,117 (2021: £264,104).

The trustees neither received nor waived any remuneration during the year (2021: £Nil). No trustee was reimbursed expenses during the current or prior year.

	No.	No.
The number of staff whose emoluments fell within the following bands was as follows:-		
£60,001 to £70,000	2	2
£70,001 to £80,000	2	2
£110,001 to £120,000	1	1

Five (2021: Five) employees earning over £60,000 (2021: £60,000) were accruing retirement benefits under a defined contribution scheme. In the year, employer contributions of £11,279 (2021: £16,994) were made in respect of these employees.

The average monthly headcount was 196 staff (2021: 205 staff) and the average monthly number of full-time equivalent employees (including part time staff) during the year was:

	2022	2021
	No.	No.
Management	6	5
Administration	6	7
Nursing	31	34
Ancillary care	83	84
Therapy	21	20
Housekeeping	14	15
Services	5	4
	<u>166</u>	<u>169</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The key management of the charity comprise the Trustees, the Chief Executive, the Deputy Chief Executive, the Clinical Leads and the Nominated individual. The total employee benefits of the key management personnel of the charity were as follows:

	2022	2021
	£	£
Key management employee benefits	333,994	277,343

6 Other gains and losses

Other gains and losses include realised gains of £Nil (2021: £4,014) and an unrealised loss of £2,957 (2021: gain £26,770) in respect of listed investments. Additionally, a fair value gain of £Nil (2021: £400,000) has been recognised on the charitable company's investment property.

7 Net expenditure/ income

	2022	2021
	£	£
Net (expenditure)/ income is stated after charging/ (crediting):-		
Other operating leases	38,436	41,017
Depreciation – owned assets	325,791	389,726
Impairment loss – owned assets	-	510,420
Government grants – CJRS	-	(18,543)
Government grants – Other	(207,110)	(328,996)
Income from operating lease arrangements	(175,936)	(172,100)
Auditors' remuneration	8,000	8,000

8 Interest payable

	2022	2021
	£	£
Bank loan Interest	18,415	19,201

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

9 Analysis of expenditure on charitable activities

	Operation of Care centres	Therapies	Total 2022	Total 2021
	£	£	£	£
Staff	3,968,827	617,875	4,586,702	4,657,614
Rent & rates	26,452	3,607	30,059	29,251
Light, heat & power	120,708	16,460	137,168	140,298
Supplies (medical, catering & cleaning)	376,095	51,286	427,381	440,205
Repairs & maintenance	205,370	28,005	233,375	218,868
Training	22,189	3,026	25,215	22,677
Subscriptions	58,559	7,985	66,544	50,521
Motor & travelling expenses	8,571	1,169	9,740	10,429
Insurance	88,349	12,048	100,397	81,977
Bank charges & interest	1,522	-	1,522	1,606
Depreciation	293,208	32,579	325,787	389,726
Impairment	-	-	-	510,420
General expenses	90,787	32,851	123,638	87,707
Covid-19 expenses	220,075	30,010	250,085	575,642
	<u>5,480,712</u>	<u>836,901</u>	<u>6,317,613</u>	<u>7,216,941</u>

Allocation of support and governance costs to activities	Operation of Care centres	Total 2022	Total 2021
	£	£	£
Wages and salaries & related costs (allocated on time)	887,158	887,158	843,620
General (pro rata to staff full time equivalent)	150,124	150,124	130,180
Legal and other professional fees	137,564	137,564	136,411
Support costs	1,174,846	1,174,846	1,110,211
Governance costs (allocated on time)	206,997	206,997	153,353
Direct costs		6,317,613	7,216,941
Total costs relating to the operation of the care centres		<u>7,699,456</u>	<u>8,480,505</u>

Governance costs comprise the following:-

	2022	2021
	£	£
Staff costs	100,336	61,648
Legal and professional fees	106,661	91,705
	<u>206,997</u>	<u>153,353</u>

Expenditure on charitable activities was £7,699,456 (2021: £8,480,505) of which £Nil (2021: £Nil) was attributable to restricted funds and £7,699,456 (2021: £8,480,505) was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

10	Tangible fixed assets	Freehold land & buildings	Motor Vehicles	Fixtures fittings & equipment	Total
		£	£	£	£
	Cost or valuation				
	At 1 April 2021	7,566,179	158,116	4,290,933	12,015,228
	Additions	54,519	-	181,374	235,893
	At 31 March 2022	7,620,698	158,116	4,472,307	12,251,121
	Depreciation				
	At 1 April 2021	510,420	118,486	3,318,408	3,947,314
	Charge for the period	-	9,909	315,882	325,791
	Impairment	-	-	-	-
	At 31 March 2022	510,420	128,395	3,634,290	4,273,105
	Net book value				
	At 31 March 2022	7,110,278	29,721	838,017	7,978,016
	At 31 March 2021	7,055,759	39,630	972,525	8,067,914

Freehold land and buildings comprise the sites at Lillington Road (Lillington House) with a carrying value of £4,235,616 and at Bericote Lane (Helen Ley House) with a carrying value of £2,874,662. Both sites were valued in October 2020 by Wareing & Company, which resulted in an impairment loss of £510,420 for Lillington House in the year to 31 March 2021 but no change in the carrying value for Helen Ley House. If freehold land and buildings had not been revalued they would have been included at a historical cost of £4,547,907.

11 Investments

	2022	2021
	£	£
Listed Investments		
Market value at 1 April 2021	602,490	382,038
Additions	97,948	219,968
Disposals	-	(26,286)
Unrealised gains/ (losses)	(2,957)	26,770
Market value at 31 March 2022	697,481	602,490
Historical cost at 31 March 2022	679,514	581,566
Listed investments are represented by:		
Equity shares and fixed interest securities	697,481	602,490
Cash	9,297	12,294
As at 31 March 2022	706,778	614,784
Investment property	2022	2021
Valuation	£	£
Balance at 1 April 2021	2,400,000	2,000,000
Unrealised gain	-	400,000
Balance at 31 March 2022	2,400,000	2,400,000
Total investments	3,106,778	3,014,784

Investment property was valued on a fair value basis by the trustees as at 31 March 2022 at £2,400,000 (2021: £2,400,000). The method and significant assumptions underlying this assessment of fair value was by reference to recent rent yields based on the type of property and its geographical location. The investment property is currently being leased by a third party, as stated in note 16, which runs up to 2023.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

12	Stock	2022	2021
		£	£
	Domestic supplies and consumables	117,267	177,397
13	Debtors	2022	2021
		£	£
	Trade debtors	287,060	114,017
	Other debtors	-	850
	Prepayments and accrued income	207,258	194,477
		494,318	309,344

All debtors are short term financial assets that are debt instruments measured at amortised cost.

14	Creditors: amounts falling due within one year	2022	2021
		£	£
	Bank loans and overdraft	30,930	28,897
	Trade creditors	217,244	242,031
	Accruals and deferred income	220,368	244,066
	Other taxation and social security	100,270	100,228
	Other creditors	26,753	30,645
		595,565	645,867

Included in accruals and deferred income is fee and rental income relating to later periods totalling £34,918 (2021: £47,663) which has been deferred in the year ended 31 March 2022. Amounts of £47,663 were released from the previous accounting period.

15	Creditors: amounts falling due in more than one year	2022	2021
		£	£
	Bank loans	564,433	597,322
		564,433	597,322

All creditors are financial assets that are debt instruments measured at amortised cost.

The bank loans and bank overdraft are secured on freehold property, investment property and freehold land.

Bank loans incur interest at both a variable rate (base rate plus 2.75%) and fixed rate of 3.27%.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
15 Creditors: amounts falling due in more than one year (continued)		
Loans		
An analysis of the maturity of loans is given below:		
Amounts falling due within one year or on demand:		
Bank loans	30,930	28,897
	<u>30,930</u>	<u>28,897</u>
Amounts falling due between one and two years:		
Bank loans	30,930	28,897
	<u>30,930</u>	<u>28,897</u>
Amounts falling due between two and five years:		
Bank loans	92,789	86,691
	<u>92,789</u>	<u>86,691</u>
Amounts falling due after five years:		
Bank loans	440,714	481,734
	<u>440,714</u>	<u>481,734</u>
	<u>595,363</u>	<u>626,219</u>

16 Operating lease commitments

At 31 March 2022 the charity had minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Expiry date:		
Within 1 year	6,336	24,531
Between 1 and 5 years	5,397	6,442
Over 5 years	144	-
	<u>11,877</u>	<u>30,973</u>

At 31 March 2022 the charity had minimum lease receipts due under non-cancellable operating leases as follows:

	2022	2021
	£	£
Expiry date:		
Within 1 year	68,500	137,000
Between 1 and 5 years	-	68,500
	<u>68,500</u>	<u>205,500</u>

17 Residents' savings

An amount of £9,868 (2021: £6,464) is held in two secure bank accounts on behalf of residents. All accounting records for transactions made on behalf of residents are segregated from the records of the charitable company.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

18 Pension commitments

The charitable company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charitable company and amounted to £97,575 (2021: £104,923). Included within creditors is an amount due to scheme providers totalling £20,895 (2021: £18,212).

19 Analysis of charitable funds

	At 1 April 2021 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2022 £
Analysis of movements in unrestricted funds:					
General reserve					
General	3,260,186	7,397,896	(7,426,109)	(266,749)	2,965,224
Fair value reserve	700,000	-	-	-	700,000
Total General reserve	3,960,186	7,397,896	(7,426,109)	(266,749)	3,665,224
Designated reserve					
Fixed asset fund	3,191,695	-	(325,791)	266,749	3,132,653
Unrestricted funds	7,151,881	7,397,896	(7,751,900)	-	6,797,877
Analysis of movements in restricted funds:					
Restricted revenue funds					
Nurses' social committee fund	3,274	-	-	-	3,274
Helen Ley physio equipment	4,241	-	-	-	4,241
New build professional fees	13,670	-	-	-	13,670
Software fund	1,543	-	-	-	1,543
Leisure and sporting activities	1,972	-	-	-	1,972
Other	4,808	-	-	-	4,808
	29,508	-	-	-	29,508
Restricted capital funds					
New build fund	25	-	-	-	25
New ensuite room	45,500	-	-	-	45,500
	75,033	-	-	-	75,033
Endowment fund (RMCHD)	4,250,000	-	-	-	4,250,000
Total funds	11,476,914	7,397,896	(7,751,900)	-	11,122,910

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

19 Analysis of charitable funds (continued)

The general reserve represents the free funds of the charity which are not designated for particular purposes.

The fair value reserve represents cumulative surpluses arising from annual remeasurements of the charitable company's investment property at fair value through the Statement of Financial Activities.

Designated unrestricted funds include reserves invested in fixed assets and land and property assets held for resale less the associated bank loans.

The endowment fund is held by Royal Midland Counties Home for the Disabled and comprises a permanent endowment of £4,250,000, being the site of the charity's registered address (represented within freehold land & buildings in note 10). On 1 April 2011 the endowment fund was placed under the protection of the trustees of Castel Froma Neuro Care Limited under a Uniting Direction. The endowment fund is being held by Castel Froma Neuro Care Limited as a trustee of Royal Midland Counties Home for the Disabled.

The restricted funds are those funds which have been used in accordance with restrictions imposed by donors or funds which have been raised by the charity for specific purposes.

The nurses' social committee fund represents amounts received from the Mary Hallam estate to be spent by the committees.

The Helen Ley physio equipment fund arose out of specific donations received and appeals made by the charity as a contribution towards the cost of this charitable activity.

The new build professional fees fund represents a specific donation to cover some of the upfront costs associated with the proposed new build site.

The software fund represents amounts donated by Royal Midlands Counties Home for the Disabled and other donors to install relevant software and purchase the necessary support and testing required to bring it into full operational use.

The leisure and sporting activities fund represents amounts donated towards additional leisure and sporting activities for the benefit of residents.

Other restricted funds comprise funds in relation to: People's postcode lottery; Specialist training; and The English Project.

The new build and ensuite funds represent funds raised to assist in the future development of the charity's care centres.

Where a transfer has been made from restricted to unrestricted funds, this is to reflect that the terms of a restricted capital donation have been met once the associated fixed assets have been acquired. The net book values of the associated assets are included in the fixed asset designated fund.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

20 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Long term creditors £	Total £
Unrestricted funds					
General reserve	-	3,106,778	558,446	-	3,665,224
Designated reserve	3,728,016	-	(30,930)	(564,433)	3,132,653
Restricted funds	-	-	75,033	-	75,033
Endowment fund	4,250,000	-	-	-	4,250,000
	7,978,016	3,106,778	602,549	(564,433)	11,122,910

21 Related party transactions

There were no related party transactions during the year (2021: £Nil).

22 Controlling interest

The charity is controlled by the trustees.

CASTEL FROMA NEURO CARE LIMITED

England & Wales - Charity number 1100965

Accounts

**CASTEL FROMA NEURO CARE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CHARITY NUMBER 1100965

COMPANY NUMBER 04777559

**Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Sydenham
Leamington Spa
CV31 1XT**

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

CHAIRMAN'S REPORT

Castel Froma Neuro Care Limited is a charitable company limited by guarantee operating two care centres in Leamington Spa, providing day, respite and long term care to people disabled with neurological conditions.

The financial year 2020-21 has again been a challenging year. The financial performance of the charity was broadly as expected, with an adverse net movement in funds of £267k. This result has been achieved despite continued pressures on fee income and a persistently difficult recruitment market, which have both been exacerbated up to the year end and since by the restrictions on activities and occupancy imposed by the phenomenon of Covid-19.

The Castel Froma site in Lillington Road (Lillington House) continues to provide long term care for up to fifty six residents whilst Helen Ley, which has a total of thirty eight beds, provides a mixture of respite and long term care, although occupancy at both sites has been diminished in the year and respite care was not permitted throughout this period. It is still our intention to improve facilities at both sites in the medium to long term and we continue to explore ways in which this can be achieved.

We wish to thank all those individuals who give their time freely in many different ways to help both Castel Froma Neuro Care Limited at Lillington House and Helen Ley House. Their efforts are very much appreciated.

I also wish to thank the staff and management team for their hard work during the year.

Finally, I wish to thank my fellow trustees for their continued dedication and support.



John Evison
Chairman of Trustees
18 January 2022

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

TRUSTEES' ANNUAL REPORT (Including Directors' and Strategic Report)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees are pleased to present their annual report together with the audited financial statements of the charity for the year ended 31 March 2021 which are also prepared to meet the requirements for the strategic and directors' report and accounts for Companies Act purposes. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

On 1 April 2011 Castel Froma (as the charity was then known) merged with Royal Midland Counties Home for the Disabled, a charity under common control. Royal Midland Counties Home for the Disabled remains a separate charity, placed under a Uniting Direction with Castel Froma. On 1 April 2011 the expendable assets of Royal Midland Counties Home for the Disabled were transferred to Castel Froma and the permanent endowment was placed under the protection of the Trustees of Castel Froma. The following financial statements report the combined performance and financial position of Castel Froma and Royal Midland Counties Home for the Disabled.

Reference and administrative information

Castel Froma Neuro Care Limited:-

Registered charity number	1100965
Registered company number	04777559

Country of incorporation	England
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Royal Midland Counties Home for the Disabled registered charity number (Linked charity)

1100965-1

Registered office

93 Lillington Road
Leamington Spa
Warwickshire
CV32 6LL

Auditors

Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House,
11 Highdown Road
Leamington Spa
CV31 1XT

Bankers

Lloyds Bank
73 The Parade
Leamington Spa
CV32 4BB

Solicitors

Wright Hassall LLP
Olympus Avenue
Leamington Spa
CV34 6BF

Harrison Clark Rickerbys Limited
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Directors and trustees and officials

President	12 th Earl of Aylesford
Patron	Mr T Cox, Her Majesty's Lord Lieutenant of Warwickshire
Vice-President	Mrs D Dowdeswell OBE
Trustees	Mr J Evison (Chairman) Mr G Murrell (Vice-Chairman) Mr S J Nicklin Mrs L Holiday Mr D Leigh-Hunt Dr D Stableforth Dr C Wilson Ms E C Jackman
Ex-Officio	The Chairman of Warwick District Council His Worship the Mayor of Royal Leamington Spa
Senior Management Team	Mrs M Bawden (Chief Executive & Nominated individual) Ms C Dickinson (Registered Manager, Lillington House) Mrs S Hook (Registered Manager, Helen Ley House) Mr S C Taylor (Consultant to the board) Ms K Grove (Clinical Compliance manager)
Company Secretary	Mrs M Bawden (resigned 10 November 2021) Mrs A M Stiles (appointed 10 November 2021)
Care Standards Committee	Mr G Murrell Mrs L Holiday Mr S Nicklin
Finance, Assets & Risk Committee (including profiling & fundraising)	Mr J Evison Mr S Nicklin Mr D Leigh-Hunt Mrs L Holiday Mr G Murrell Mr D Stableforth
Remuneration Committee	Mr J Evison Mr S Nicklin Mr G Murrell Mr D Leigh-Hunt

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Mission Statement

Day, respite and long-term residential care with 24-hour nursing care for those with neurological conditions

We run outstanding care and rehabilitation centres providing day, respite and long-term services for people disabled by neurological conditions.

Business Aims

- To provide the highest standard of nursing and care for individuals with neurological conditions who have complex needs;
- To bring together experts from every therapeutic field to help our residents live as full a life as possible;
- To integrate family, friends and the local community into the lives of our residents and provide a supportive environment for their carers;
- To excel in palliative and end of life care to help our residents live their last days as they would wish, free from pain and with as much dignity as possible;
- To extend our care beyond our centres, into the local community and onto a regional and national level;
- To operate within a financially and environmentally sustainable framework.

Principal activities

The principal activity of Castel Froma Neuro Care Limited is the provision of care and accommodation for severely physically disabled people. To achieve this objective the charity operates two registered care centres based at the following addresses:-

Lillington House
93 Lillington Road
Leamington Spa
Warwickshire
CV32 6LL

The Helen Ley Care Centre
Bericote Road
Blackdown
Leamington Spa
Warwickshire
CV32 6QP

The centres provide 24-hour nursing care, in addition to physiotherapy, occupational therapy, hydrotherapy, speech and language therapy, aromatherapy and reflexology.

The principal activity of Royal Midland Counties Home for the Disabled is to support Castel Froma Neuro Care Limited. The sale of approximately 1.5 acres of land in 2004 allowed Royal Midland Counties Home for the Disabled to invest a large sum of money in property. The monthly income has been allocated to projects in Castel Froma Neuro Care Limited for physically disabled people. All of the projects have directly benefited the residents.

Volunteers

In addition to approximately 205 paid employees, the charity also benefits from over 2,350 hours of donated time each year. This figure includes time spent at the care centre by committee members, drivers and letter writers, who all participate in fundraising events, visit residents, and accompany them on excursions outside the care centre.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing instrument

Castel Froma Neuro Care Limited is a charitable company limited by guarantee, incorporated on 27 May 2003 and registered as a charity on 1 December 2003. The company was established under a Memorandum of Association, as amended by special resolutions of 7 November 2003 and 25 November 2010, which established the objects and powers of the company and is governed under its Articles of Association.

Royal Midland Counties Home for the Disabled is an unincorporated association set up under a Trust Deed dated 27th June 1884, as amended on 1st April 2011.

Organisation and structure

The overall management of the charity is carried out by the Chief Executive who is directly responsible to the trustees. All nursing and care staff report to the Registered Managers and all non-medical staff report to their relevant line manager.

Governance and internal control

The 'Board of Trustees' comprises the directors of the company. A list of those who served in these capacities during the period is set out on page 3. Members of the company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of winding up.

A panel comprising existing committee members selects members of the three committees: the Care Standards Committee; the Finances, Assets and Risks Committee; and the Remuneration committee. The trustees meet quarterly.

New trustees are elected by the 'Board of Trustees'. New trustees are inducted during their first trustees' meeting. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Pay policy for senior staff

The pay of the senior staff is reviewed by the remuneration committee (at least annually) and normally increased in line with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size. If recruitment has proven difficult in the recent past a market addition may also be paid.

Plans for the future

The trustees have an agreed strategic aim, in the medium term, to develop the charity's existing premises into more modern facilities that are fit for purpose.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

Achievements and performance

2020-21 has been a year of many challenges, not least recruitment of staff and from March 2020, the onset of the Covid-19 pandemic.

We continue to strive to provide a high standard of personalised care for all of our residents at both sites. To this end we have, where possible, maintained the number of hours each week in respect of physiotherapy, occupational therapy, psychology, dietician and speech and language therapy. The number of permanent residents at both sites declined during the year as, owing to the pandemic and a consequent ban on visitors, some residents opted to have ongoing care at home and there was also a delay in the usual process when prospective new occupants were being referred. Respite care was also discontinued as a result of the pandemic. Nonetheless, latest inspection reports from the Care Quality Commission assess each centre as "Good".

Financial review

Details of the financial position of the charity are set out in the attached financial statements. Income for the year totalled £7,849,406 and expenditure totalled £8,547,649. Net expenditure for the year totalled £698,243 with total adverse movement in funds of £267,459 after other gains of £430,784. Unrestricted reserves at the year-end amounted to £7,151,881 and these comprised general reserves of £3,960,186 and designated reserves of £3,191,695. Restricted reserves comprise the restricted reserves of Castel Froma Neuro Care Limited totalling £75,033 and an endowment reserve of Royal Midland Counties Home for the Disabled, representing the value of the freehold property, being the site at 93 Lillington Road, amounting to £4,250,000 at the year end.

Investment policy

The charity's investments are held in accordance with the trustees' powers. The trustees have considered the most appropriate policy for investing the funds and have found that a mixture of property investment and investment in a portfolio of equities meets their requirements to generate both income and capital growth. The trustees take advice from suitable specialists on, amongst other things, the acceptable levels of risk and aim to generate a return above that of the rate of inflation, whilst ensuring that cash is available to the charity when needed. The performance of investments is reviewed periodically against agreed benchmarks.

Risk review

The trustees have put in place a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees continually review the adequacy of the charity's current internal controls. The trustees are pleased to report that the charity's internal financial controls, in particular, conform to guidelines issued by the Charity Commission.

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been implemented to mitigate those risks. The significant external risks to the charity are noted within the key risks identified below and include the key financial risk of the charity not meeting its budget. Internal risks are minimised by the implementation of internal control procedures for authorisation of transactions and projects and through staff development. These procedures are reviewed periodically to ensure they still meet the needs of the charity.

The key risks as identified by the trustees include:

- A severe impact from the Covid-19 or other pandemic and the consequent potential impact on future reputation and expenditure;
- Periodic staff shortages within a very challenging recruitment sector and the consequent impact on charitable expenditure against budget;
- Maintaining fee levels and cash flow in the context of the complexities of the NHS contracting process; and
- A potential lack of expertise and development of the key management team in respect of future requirements.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

Reserves policy

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation and have established a policy whereby sufficient unrestricted reserves are retained in order to meet unforeseen increased working capital requirements at a level equal to at least six months' operating expenditure. In April 2021, the trustees further clarified the reserves policy with an additional aim to hold a level of reserves in liquid assets such as cash deposits or investment funds of at least three months' operating expenditure.

The strategy of the trustees is guided by the following principles:

- To build reserves through planned operating surpluses;
- To review the policy regularly in the light of financial performance and any changes in risk assessment;
- To apply this policy in conjunction with the investment policy, to enable a proportion of the reserve to be invested; and
- To limit the ability of the charity to draw from its reserves by only authorising the Chief Executive or Chair of Trustees to effect such a drawdown, with an obligation to report any such withdrawal to the Board.

The present level of unrestricted reserves not committed is £7,151,881, of which there is a designation of £3,191,695. This designated fund represents the net book value of the functional fixed assets of the charity and is therefore not deemed to be available to the charity for activities other than to which these assets are currently committed. The present level of reserves available to the charity for unforeseen working capital requirements is therefore £3,960,186, which, at just over five months of operating expenditure, is just short of the six months target, based upon current levels of activity and budgets for the forthcoming years. The trustees consider that the strength of the charity's balance sheet, current stable cash flows and the results of recent risk management analysis indicate that the current level of reserves is adequate for the charity to meet its objectives.

Valuation of properties

In October 2020 the freehold properties at both sites (Lillington House and Helen Ley House) were subject to a periodic valuation, in accordance with UK GAAP in order to assess whether either property was impaired, as neither property is depreciated. This led to assessed valuations of £4,200,000 and £2,950,000 respectively, and were on an open market value basis.

Previously, Lillington House had been assessed as having a value of £7,235,000 on a reinstatement/replacement basis for insurance purposes. The trustees have considered the market value of £4,200,000 above and have accordingly accounted for an impairment of £510,420 in the year under review.

As the carrying value of Helen Ley House, at £2,855,750 did not exceed its latest market valuation, the trustees are satisfied that it is not impaired and that its current carrying value is considered to be appropriate.

A fair value adjustment of a £400,000 gain for the investment property at Prologis Park was made in the year under review, based on latest indicators derived from typical rental market yields in the geographical area and the category of property being assessed.

Fundraising

Whilst the charity does incur some expenditure in respect of fundraising activities, including professional fees for a third party agent in respect of corporate charity donations, these are considered to be on a small scale and do not form part of the charity's principal activities. The charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the charity is not registered with the Fundraising Regulator, although the trustees will keep the situation under review.

The trustees would like to acknowledge their sincere gratitude for the donations in the year from: Barclays Bank, Edward Cadbury Charitable Trust, Garfield Weston Foundation, The Truemark Trust, WPH Charitable Trust and The 29th May 1961 Charitable Trust.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF PUBLIC BENEFIT

The trustees are mindful of the need to demonstrate public benefit in the operation of both Royal Midland Counties Home for the Disabled (RMCHD) and Castel Froma Neuro Care Limited. For many years the charity had operated at a trading loss and had been wholly dependent upon RMCHD to provide substantial donations in order to keep the charity running. The trustees are now pursuing a strategy of maintaining realistic fee levels whilst also ensuring that costs are actively managed, which has started to produce financial stability for the charity.

The trustees have duly considered the Charity Commission's published guidance on public benefit requirements under the Charities Act 2011.

As such, the trustees carry out those objects and activities by contracting with, amongst others, NHS England and various clinical commissioning groups to provide:-

- Rehabilitation of individuals following catastrophic brain traumas; and
- Continuing specialist and complex care for individuals with ongoing brain related traumas and physical disabilities

As a result of this, the charity is deemed to demonstrate a public benefit in assisting the NHS and other public bodies by offering a more tailored solution to these individuals whose complex and often long-term care needs would otherwise place a significant burden on publicly funded resources and facilities.

Furthermore, in common with other charities in the care sector, the fees charged to residents are based on a structure of cost recovery that extends only to direct care costs and ancillary overheads but which excludes a charge for room rental. As such the charity is considered to offer a demonstrable public benefit to residents, their families and wider society in providing this service within the context of its overall care obligations.

The charity is open to all who may benefit from the highly intensive services offered at Castel Froma Neuro Care Limited. We know we could do more and that is why we are seeking to develop the existing premises which, in addition to providing more appropriate facilities and surroundings, will allow the charity to offer its services to more potential residents. A broader range of services is contemplated which would offer further support to those needing the specialised service we offer. This approach is entirely driven by the charity's objective of relieving persons with physical disabilities by the provision of care.

CASTEL FROMA NEURO CARE LIMITED
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TRUSTEES' ANNUAL REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors of Castel Froma Neuro Care Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 2019 (FRS 102);
- 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;
- 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Harrison Beale & Owen Limited have expressed their willingness to continue in the capacity of the company's auditors.

Approval of Strategic Report

In approving the Trustees' Annual Report we also approve the Strategic Report included therein, in our capacity as company directors.

Approved by the trustees on 18 January 2022 and signed on their behalf by


Mr J Evison
Chairman of Trustees

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Castel Froma Neuro Care Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, not all future events or conditions can be foreseen. The Covid-19 viral pandemic is one of the most significant economic events there has been in the UK for many years, with unprecedented levels of uncertainty in predicting outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, beneficiaries, suppliers and the wider economy. Management's views on the impact of Covid-19 are disclosed in the strategic report and note 1 (b) of the financial statements.

CASTEL FROMA NEURO CARE LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2021

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CASTEL FROMA NEURO CARE LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTEL FROMA NEURO CARE LIMITED (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements

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

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 audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

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



Mark Ashfield BA FCA (Senior Statutory Auditor)
For and on behalf of Harrison Beale & Owen Limited
Chartered Accountants and Statutory Auditor
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

18 January 2022

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds	Restricted and Endowment Funds	Total 2021	Total 2020
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	229,067	-	229,067	69,898
Charitable activities					
Operation of care centres:	2				
Residential fees		7,050,647	-	7,050,647	7,659,539
Hydrotherapy		23,258	-	23,258	23,325
Government grants		347,539	-	347,539	-
Investments	3	173,669	-	173,669	171,303
Other	2	25,226	-	25,226	24,460
Total income and endowments	2	7,849,406	-	7,849,406	7,948,525
Expenditure on:					
Raising funds	4	67,144	-	67,144	58,389
Charitable activities:					
Operation of care centres	9	8,480,505	-	8,480,505	7,869,524
Total expenditure		8,547,649	-	8,547,649	7,927,913
Net (expenditure)/ income	7	(698,243)	-	(698,243)	20,612
Transfers between funds	19	-	-	-	-
Other recognised gains/ (losses):					
Other gains/ (losses)	6	430,784	-	430,784	(6,100)
Net movement in funds		(267,459)	-	(267,459)	14,512
Reconciliation of funds					
Total fund balances brought forward at 1 April 2020	19	7,419,340	4,325,033	11,744,373	11,729,861
Total fund balances carried forward at 31 March 2021		<u>7,151,881</u>	<u>4,325,033</u>	<u>11,476,914</u>	<u>11,744,373</u>

All income and expenditure derive from continuing activities.

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

CASTEL FROMA NEURO CARE LIMITED
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BALANCE SHEET AS AT 31 MARCH 2021

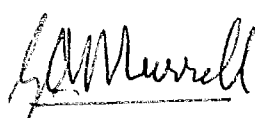
		2021 £	2020 £
	Note		
Fixed assets			
Tangible assets	10	8,067,914	8,828,644
Investments	11	3,014,784	2,387,642
		<u>11,082,698</u>	<u>11,216,286</u>
Current assets			
Stock	12	177,397	71,716
Debtors	13	309,344	883,230
Cash at bank and in hand		1,150,664	670,410
		<u>1,637,405</u>	<u>1,625,356</u>
Creditors : amounts falling due within one year	14	(645,867)	(785,928)
Net current assets		<u>991,538</u>	<u>839,428</u>
Total assets less current liabilities		12,074,236	12,055,714
Creditors : amounts falling due in more than one year	15	(597,322)	(311,341)
Net assets		<u>11,476,914</u>	<u>11,744,373</u>
Unrestricted funds			
General funds			
General	19	3,260,186	3,194,611
Fair value reserve	19	700,000	300,000
Total General funds		3,960,186	3,494,611
Designated funds	19	3,191,695	3,924,729
		<u>7,151,881</u>	<u>7,419,340</u>
Restricted funds	19	75,033	75,033
Endowment fund	19	4,250,000	4,250,000
(held by Castel Froma Neuro Care Ltd as a trustee of RMCHD)		<u>11,476,914</u>	<u>11,744,373</u>

These accounts were approved by the Board of Trustees on 18 January 2022 and signed on its behalf by

MR J EVISON
Chairman



MR G MURRELL
Vice-Chairman



CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		2021 £	2020 £	
	Note			
Cash provided by operating activities	1	689,256	201,344	
Cash flows from investing activities				
Payments to acquire tangible fixed assets		(139,416)	(464,809)	
Payments to acquire fixed asset investments		(219,968)	-	
Receipts from disposal of fixed asset investments		30,300	-	
Interest received		1,569	3,608	
Rents received from investment properties		172,100	167,695	
Cash used in investing activities		(155,415)	(293,506)	
Cash flows from financing activities				
Repayment of long term loans		(27,696)	(25,464)	
Interest paid		(19,201)	(28,445)	
Cash used in financing activities		(46,897)	(53,909)	
Increase/ (Decrease) in cash and cash equivalents		486,944	(146,071)	
Cash and cash equivalents at 1 April		676,014	822,085	
Cash and cash equivalents at 31 March		1,162,958	676,014	
Cash and cash equivalents consists of:				
Cash at bank and in hand		1,150,664	670,410	
Listed investments cash		12,294	5,604	
Cash and cash equivalents at 31 March		1,162,958	676,014	
Analysis of changes in net funds				
	At 1 April 2020 £	Cash flows £	Non-cash changes £	At 31 March 2021 £
Long term loans	(311,341)	-	(285,981)	(597,322)
Short term loans	(342,574)	27,696	285,981	(28,897)
Total liabilities	(653,915)	27,696	-	(626,219)
Cash and cash equivalents	676,014	486,944	-	1,162,958
Total net funds	22,099	514,640	-	536,739

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2021

1. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds	(267,459)	14,512
Rents received from investment properties	(172,100)	(167,695)
Interest receivable	(1,569)	(3,608)
Interest payable	19,201	28,445
Depreciation and impairment of tangible fixed assets	900,146	464,512
(Gains)/ losses on investments	(430,784)	6,100
Increase in stock	(105,681)	(12,500)
Decrease/ (Increase) in debtors	573,886	(88,278)
Increase/ (decrease) in creditors	173,616	(40,144)
Net cash provided by operating activities	<u>689,256</u>	<u>201,344</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below as follows. These policies have been consistently applied unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Castel Froma Neuro Care Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are presented in sterling which is the functional currency of the charitable company and rounded to the nearest £.

b) Preparation of the accounts on a going concern basis

The charity reported an adverse net movement in funds of £267,459, however it should be noted that this performance was in the context of significant restrictions imposed by, and incremental costs arising from, the impact of Covid-19. Moreover, the charity generated net cash provided by operating activities of £689,256 for the year and this is felt by trustees to be a good indication of the charity's resilience over the last 12 months and beyond. The trustees are of the view that the charity's future plans, including forecasts for net income and operating cash inflows, along with the level of reserves, suggest that the charity's immediate future is secured for the 12 months following the authorisation of these accounts. Accordingly, on this basis the trustees consider that no material uncertainties exist and that the charitable company is therefore a going concern.

c) Income

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

Income from government and other grants, whether "capital" grants or "revenue" 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 and is not deferred.

Government grants arising from the impact of Coronavirus (COVID-19) with the purpose of compensating the charitable company for incremental expenditure arising and for claims made under the Job Retention Scheme are recognised in the period in which they become receivable.

For legacies, entitlement is the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of any care services provided is deferred until the criteria for income recognition are met (see note 14).

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

1 Principal accounting policies (continued)

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from investment property is accounted for on a straight line basis over the period of the lease.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

Endowment funds represent those assets which must be held permanently by the charity, principally the property at Lillington Road.

e) Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise property management fees and property related interest and costs; and staff and professional fees associated with raising funds.
- Expenditure on charitable activities includes the costs associated with the provision of care and accommodation for severely physically disabled people and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Support costs

Support costs are those functions that assist the work of the charity but do not directly represent charitable activities and include office costs, finance, personnel, payroll and governance costs. Where support costs cannot be directly attributed to particular headings they have been allocated to the cost of raising funds and expenditure on charitable activities. Costs are allocated to activities based on a relevant indicator for use of resources (e.g. staff allocated by activity; floor area of building; equipment allocated by activity). The bases on which support costs have been allocated are set out in note 9.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

1 Principal accounting policies (continued)

g) Leases and hire purchase

Assets acquired under hire purchase contracts are capitalised and depreciated over their expected useful lives. Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

h) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and buildings	0% p.a.
Motor vehicles	25% p.a. reducing balance
Fixtures, fittings and equipment	15%, p.a., 20% p.a. and 33.3% p.a. straight line

Freehold land and buildings are not depreciated as the charity maintains the properties to a high standard and their residual values are regularly measured on the basis of fair value and reinstatement cost as a means to assess their carrying values in the financial statements. This informs an annual impairment review, which is undertaken to establish the recoverable value of all properties.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA.

i) Investments

Listed investments are stated at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluation are recognised in the SOFA. Gains or losses on investments are calculated as the difference between the disposal proceeds and the market value brought forward.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in "Other gains/ (losses)" in the SOFA.

Cash and cash equivalents comprise cash at banks, on deposit and in hand where there is a maturity of less than one year.

j) Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

k) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

l) Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

1 Principal accounting policies (continued)

m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

n) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, it does not have liability to corporation tax in the course of its normal charitable activities.

o) Company status and general information

The charity is a private company incorporated in England and Wales and is limited by guarantee, with no share capital. The members of the company include the trustees. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office and registered numbers of the company and charity are shown in the charity information on page 2 of these financial statements.

p) Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS 102, the charity must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual financial statements. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. The trustees do not consider any of the estimates or judgements applied to be significant to the financial statements.

2 Income and endowments

Income from donations and legacies was £229,067 (2020: £69,898) of which £Nil (2020: £57,200) was attributable to restricted funds and £229,067 (2020: £12,698) was attributable to unrestricted funds.

Income from charitable activities was £7,421,444 (2020: £7,682,864) all of which was attributable to unrestricted funds and related to the provision of care services. Included in income from charitable activities were government grants of £347,539 (2020: £Nil) in respect of additional funding for Covid-19 related expenditure.

Other income was £25,226 (2020: £24,460) all of which was attributable to unrestricted funds and related to the provision of other services.

3 Investment income

	2021	2020
	£	£
Rental income and income under operating leases	172,100	167,695
Interest and dividend income	1,569	3,608
	<u>173,669</u>	<u>171,303</u>

All investment income in the current and prior years was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

4 Expenditure on raising funds

	2021	2020
	£	£
Professional fees for direct fundraising costs	30,287	12,250
Professional fees for investing activities	5,187	5,227
Property management fees and repairs	12,469	12,505
Bank loan interest	19,201	28,407
	<u>67,144</u>	<u>58,389</u>

Of the expenditure on raising funds above, only £30,287 (2020: £12,250) related directly to donations and legacy income in the financial statements. Other expenditure is associated with professional and property management fees in respect of fixed asset investments and investment property; and the cost of servicing secured loans as disclosed in note 15.

All expenditure on raising funds in the current and prior year was attributable to unrestricted funds.

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel

	2021	2020
	£	£
Wages and salaries	5,085,850	5,293,094
Social security costs	372,109	382,953
Pensions	104,923	98,642
	<u>5,562,882</u>	<u>5,774,689</u>

Wages and salaries include agency staff costs totalling £264,104 (2020: £552,509).

The trustees neither received nor waived any remuneration during the year (2020: £Nil). No trustee (2020: One) was reimbursed travel expenses during the year (2020: £436).

The number of staff whose emoluments fell within the following bands was as follows:-

	No.	No.
£60,001 to £70,000	2	3
£70,001 to £80,000	2	1
£90,001 to £100,000	-	1
£110,001 to £120,000	1	-

Five (2020: Five) employees earning over £60,000 (2020: £60,000) were accruing retirement benefits under a defined contribution scheme. In the year, employer contributions of £16,994 (2020: £9,667) were made in respect of these employees.

The average monthly headcount was 205 staff (2020: 221 staff) and the average monthly number of full time equivalent employees (including part time staff) during the year was:

	2021	2020
	No.	No.
Management	5	6
Administration	7	8
Nursing	34	35
Ancillary care	84	93
Therapy	20	21
Housekeeping	15	15
Services	4	5
	<u>169</u>	<u>183</u>

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

5 Staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The key management of the charity comprise the Trustees, the Chief Executive, the Clinical Leads, the Facilities and Estates manager and the Nominated individual. The total employee benefits of the key management personnel of the charity were as follows:

	2021	2020
	£	£
Key management employee benefits	277,343	242,253
	<u> </u>	<u> </u>

6 Other gains and losses

Other gains and losses include realised gains of £4,014 (2020: £Nil) and an unrealised gain of £26,770 (2020: loss of £6,100) in respect of listed investments. Additionally, a fair value gain of £400,000 (2020: £Nil) has been recognised on the charitable company's investment property.

7 Net expenditure/ income

	2021	2020
	£	£
Net (expenditure)/ income is stated after charging/ (crediting):-		
Other operating leases	41,017	36,267
Depreciation – owned assets	389,726	464,512
Impairment loss – owned assets	510,420	-
Government grants – CJRS	(18,543)	-
Government grants – Other	(328,996)	-
Income from operating lease arrangements	(172,100)	(167,695)
Auditors' remuneration	8,000	8,000
	<u> </u>	<u> </u>

8 Interest payable

	2021	2020
	£	£
Bank loan Interest	19,201	28,407
	<u> </u>	<u> </u>

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

9 Analysis of expenditure on charitable activities

	Operation of Care centres £	Therapies £	Total 2021 £	Total 2020 £
Staff	4,050,256	607,358	4,657,614	4,868,624
Rent & rates	25,741	3,510	29,251	31,391
Light, heat & power	123,462	16,836	140,298	138,578
Supplies (medical, catering & cleaning)	387,380	52,825	440,205	510,741
Repairs & maintenance	192,604	26,264	218,868	227,931
Training	19,956	2,721	22,677	50,059
Subscriptions	44,458	6,063	50,521	55,429
Motor & travelling expenses	9,178	1,251	10,429	16,593
Insurance	72,140	9,837	81,977	74,714
Bank charges & interest	1,606	-	1,606	2,181
Depreciation	350,753	38,973	389,726	464,512
Impairment	510,420	-	510,420	-
General expenses	77,182	10,525	87,707	120,479
Covid-19 expenses	506,564	69,078	575,642	23,267
	<u>6,371,700</u>	<u>845,241</u>	<u>7,216,941</u>	<u>6,584,499</u>

Allocation of support and governance costs to activities	Operation of Care centres £	Total 2021 £	Total 2020 £
Wages and salaries & related costs (allocated on time)	843,620	843,620	847,785
General (pro rata to staff full time equivalent)	130,180	130,180	161,891
Legal and other professional fees	<u>136,411</u>	<u>136,411</u>	<u>143,140</u>
Support costs	1,110,211	1,110,211	1,152,816
Governance costs (allocated on time)	153,353	153,353	132,209
Direct costs		7,216,941	6,584,499
Total costs relating to the operation of the care centres		<u>8,480,505</u>	<u>7,869,524</u>

Governance costs comprise the following:-

	2021 £	2020 £
Staff costs	61,648	58,280
Legal and professional fees	91,705	73,929
	<u>153,353</u>	<u>132,209</u>

Expenditure on charitable activities was £8,480,505 (2020: £7,869,524) of which £Nil (2020: £21,238) was attributable to restricted funds and £8,480,505 (2020: £7,848,286) was attributable to unrestricted funds.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

10	Tangible fixed assets	Freehold land & buildings	Motor Vehicles	Fixtures fittings & equipment	Total
	Cost or valuation	£	£	£	£
	At 1 April 2020	7,516,916	158,116	4,200,780	11,875,812
	Additions	49,263	-	90,153	139,416
	At 31 March 2021	7,566,179	158,116	4,290,933	12,015,228
	Depreciation				
	At 1 April 2020	-	105,273	2,941,895	3,047,168
	Charge for the period	-	13,213	376,513	389,726
	Impairment	510,420	-	-	510,420
	At 31 March 2021	510,420	118,486	3,318,408	3,947,314
	Net book value				
	At 31 March 2021	7,055,759	39,630	972,525	8,067,914
	At 31 March 2020	7,516,916	52,843	1,258,885	8,828,644

Freehold land and buildings comprise the sites at Lillington Road (Lillington House) with a carrying value of £4,200,000 and at Bericote Lane (Helen Ley House) with a carrying value of £2,855,759. Both sites were valued in October 2020 by Wareing & Company, which resulted in an impairment loss of £510,420 for Lillington House but no change in the carrying value for Helen Ley House. If freehold land and buildings had not been revalued they would have been included at a historical cost of £4,493,388.

11 Investments

	2020	2020
Listed Investments	£	£
Market value at 1 April 2020	382,038	388,138
Additions	219,968	-
Disposals	(26,286)	-
Unrealised gains/ (losses)	26,770	(6,100)
Market value at 31 March 2021	602,490	382,038
Historical cost at 31 March 2021	581,566	387,884
Listed investments are represented by:		
Equity shares and fixed interest securities	602,490	382,038
Cash	12,294	5,604
As at 31 March 2021	614,784	387,642
Investment property	2021	2020
Valuation	£	£
Balance at 1 April 2020	2,000,000	2,000,000
Unrealised gain	400,000	-
Balance at 31 March 2021	2,400,000	2,000,000
Total investments	3,014,784	2,387,642

Investment property was valued on a fair value basis by the trustees as at 31 March 2021 at £2,400,000 (2020: £2,000,000). The method and significant assumptions underlying this assessment of fair value was by reference to recent rent yields based on the type of property and its geographical location. The investment property is currently being leased by a third party, as stated in note 16, which runs up to 2023.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

12	Stock	2021	2020
		£	£
	Domestic supplies and consumables	177,397	71,716
		<u> </u>	<u> </u>
13	Debtors	2021	2020
		£	£
	Trade debtors	114,017	671,349
	Other debtors	850	850
	Prepayments and accrued income	194,477	211,031
		<u> </u>	<u> </u>
		<u>309,344</u>	<u>883,230</u>

All debtors are short term financial assets that are debt instruments measured at amortised cost.

14	Creditors: amounts falling due within one year	2021	2020
		£	£
	Bank loans and overdraft	28,897	342,574
	Trade creditors	242,031	215,871
	Accruals and deferred income	244,066	92,369
	Other taxation and social security	100,228	98,794
	Other creditors	30,645	36,320
		<u> </u>	<u> </u>
		<u>645,867</u>	<u>785,928</u>

Included in accruals and deferred income is fee and rental income relating to later periods totalling £47,663 (2020: £42,302) which has been deferred in the year ended 31 March 2021. Amounts of £42,302 were released from the previous accounting period.

15	Creditors: amounts falling due in more than one year	2021	2020
		£	£
	Bank loans	597,322	311,341
		<u> </u>	<u> </u>
		<u>597,322</u>	<u>311,341</u>

All creditors are financial assets that are debt instruments measured at amortised cost.

The bank loans and bank overdraft are secured on freehold property, investment property and freehold land.

Bank loans incur interest at both a variable rate (base rate plus 2.75%) and fixed rate of 3.27%.

CASTEL FROMA NEURO CARE LIMITED
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

15	Creditors: amounts falling due in more than one year (continued)	2021	2020
		£	£
	Loans		
	An analysis of the maturity of loans is given below:		
	Amounts falling due within one year or on demand:		
	Bank loans	28,897	342,574
		<u>28,897</u>	<u>342,574</u>
	Amounts falling due between one and two years:		
	Bank loans	28,897	13,965
		<u>28,897</u>	<u>13,965</u>
	Amounts falling due between two and five years:		
	Bank loans	86,691	41,896
		<u>86,691</u>	<u>41,896</u>
	Amounts falling due after five years:		
	Bank loans	481,734	255,480
		<u>481,734</u>	<u>255,480</u>
		<u>626,219</u>	<u>653,915</u>

Within bank loans falling due within one year, £328,609 was refinanced as a long term loan from April 2020.

16 Operating lease commitments

At 31 March 2021 the charity had minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Expiry date:		
Within 1 year	24,531	25,972
Between 1 and 5 years	6,442	30,973
	<u>30,973</u>	<u>56,945</u>

At 31 March 2021 the charity had minimum lease receipts due under non-cancellable operating leases as follows:

	2021	2020
	£	£
Expiry date:		
Within 1 year	137,000	137,000
Between 1 and 5 years	68,500	205,500
	<u>205,500</u>	<u>342,500</u>

17 Residents' savings

An amount of £6,464 (2020: £5,734) is held in two secure bank accounts on behalf of residents. All accounting records for transactions made on behalf of residents are segregated from the records of the charitable company.

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

18 Pension commitments

The charitable company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charitable company and amounted to £104,923 (2020: £98,642). Included within creditors is an amount due to scheme providers totalling £18,212 (2020: £17,998).

19 Analysis of charitable funds

	At 1 April 2020 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2021 £
Analysis of movements in unrestricted funds:					
General reserve					
General	3,194,611	7,880,190	(7,647,503)	(167,112)	3,260,186
Fair value reserve	300,000	400,000	-	-	700,000
Total General reserve	<u>3,494,611</u>	<u>8,280,190</u>	<u>(7,647,503)</u>	<u>(167,112)</u>	<u>3,960,186</u>
Designated reserve					
Fixed asset fund	3,924,729	-	(900,146)	167,112	3,191,695
Unrestricted funds	<u>7,419,340</u>	<u>8,280,190</u>	<u>(8,547,649)</u>	<u>-</u>	<u>7,151,881</u>
Analysis of movements in restricted funds:					
Restricted revenue funds					
Nurses' social committee fund	3,274	-	-	-	3,274
Helen Ley physio equipment	4,241	-	-	-	4,241
New build professional fees	13,670	-	-	-	13,670
Software fund	1,543	-	-	-	1,543
Leisure and sporting activities	1,972	-	-	-	1,972
Other	4,808	-	-	-	4,808
	<u>29,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,508</u>
Restricted capital funds					
New build fund	25	-	-	-	25
New en-suite room	45,500	-	-	-	45,500
	<u>75,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,033</u>
Endowment fund (RMCHD)	4,250,000	-	-	-	4,250,000
Total funds	<u>11,744,373</u>	<u>8,280,190</u>	<u>(8,547,649)</u>	<u>-</u>	<u>11,476,914</u>

CASTEL FROMA NEURO CARE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

19 Analysis of charitable funds (continued)

The general reserve represents the free funds of the charity which are not designated for particular purposes.

The fair value reserve represents cumulative surpluses arising from annual remeasurements of the charitable company's investment property at fair value through the Statement of Financial Activities.

Designated unrestricted funds include reserves invested in fixed assets and land and property assets held for resale less the associated bank loans.

The endowment fund is held by Royal Midland Counties Home for the Disabled and comprises a permanent endowment of £4,250,000, being the site of the charity's registered address (represented within freehold land & buildings in note 10). On 1 April 2011 the endowment fund was placed under the protection of the trustees of Castel Froma Neuro Care Limited under a Uniting Direction. The endowment fund is being held by Castel Froma Neuro Care Limited as a trustee of Royal Midland Counties Home for the Disabled.

The restricted funds are those funds which have been used in accordance with restrictions imposed by donors or funds which have been raised by the charity for specific purposes.

The nurses' social committee fund represents amounts received from the Mary Hallam estate to be spent by the committees.

The Helen Ley physio equipment fund arose out of specific donations received and appeals made by the charity as a contribution towards the cost of this charitable activity.

The new build professional fees fund represents a specific donation to cover some of the up front costs associated with the proposed new build site.

The software fund represents amounts donated by Royal Midlands Counties Home for the Disabled and other donors to install relevant software and purchase the necessary support and testing required to bring it into full operational use.

The leisure and sporting activities fund represents amounts donated towards additional leisure and sporting activities for the benefit of residents.

Other restricted funds comprise funds in relation to: People's postcode lottery; Specialist training; and The English Project.

The new build and en-suite funds represent funds raised to assist in the future development of the charity's care centres.

Where a transfer has been made from restricted to unrestricted funds, this is to reflect that the terms of a restricted capital donation have been met once the associated fixed assets have been acquired. The net book values of the associated assets are included in the fixed asset designated fund.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

20 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Long term creditors £	Total £
Unrestricted funds					
General reserve	-	3,014,784	945,402	-	3,960,186
Designated reserve	3,817,914	-	(28,897)	(597,322)	3,191,695
Restricted funds	-	-	75,033	-	75,033
Endowment fund	4,250,000	-	-	-	4,250,000
	8,067,914	3,014,784	991,538	(597,322)	11,476,914

21 Related party transactions

There were no related party transactions during the year (2020: £Nil).

22 Controlling interest

The charity is controlled by the trustees.

