

Company registration number: 4750130

Charity registration number: 1102881

# Villa Scalabrini

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Sterling Grove Accountants Limited  
Chartered Certified Accountants and Statutory Auditors  
Thames House  
Bourne End Business Park  
Cores End Road  
Bourne End  
Buckinghamshire  
SL8 5AS

# **Villa Scalabrini**

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## Villa Scalabrini

### Reference and Administrative Details

<b>Trustees</b>	Michael Polledri M.B.E. Fr Francesco Buttazzo Fr Giuseppe Bortolazzo Rev Geraldo Melotti Junior Rev Mauro Lazzarato Mr Stefano Fiori Mrs Lisa Di Cesare
<b>Secretary</b>	Gentil Goncalves
<b>Principal Office</b>	Green Street Shenley Herts WD7 9BB
<b>Registered Office</b>	Green Street Shenley Herts WD7 9BB
<b>Company Registration Number</b>	4750130
<b>Charity Registration Number</b>	1102881
<b>Bankers</b>	CAF Bank Limited
<b>Auditor</b>	Sterling Grove Accountants Limited Chartered Certified Accountants and Statutory Auditors Thames House Bourne End Business Park Cores End Road Bourne End Buckinghamshire SL8 5AS

## **Villa Scalabrini**

### **Strategic Report for the Year Ended 31 March 2021**

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2021, in compliance with s414C of the Companies Act 2006.

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 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 published on 16 July 2014.

#### **Achievements and performance**

The home has had a very challenging year mainly due to Covid-19 and consequences of Brexit. The various measures put in place to protect the home from the virus have had their positive effects. From April to December these measures had successfully protected residents and staff alike. Only one staff member resulted positive in 2 occasions.

Unfortunately during January and February 2021, a new variant appeared and the home was struck by Covid-19. This has had a major impact and human loss – 15 residents passed away due to the virus. This was an extremely difficult time with implications at various levels including financial.

On 1st January 2021 we had 50 residents, by beginning of March there were 35 residents.

Our staff was badly affected and during these 2 months around 95% had to self-isolate. Fortunately neither serious illness nor deaths among staff occurred as a consequence of the virus.

Consequently we had to call agency staff to cover shifts not covered by our staff though this was not all that easy as agency staff was in high demand and at higher hourly rate.

#### **Financial review**

In 2020/21 the charity's accounts show a surplus of £305,876 (2020: £6,714,840). Last year included a one off item, a non exchange transaction totalling £6,581,717, this was the value used for the land and buildings in which they operated from was donated to the charity last year.

The charity has achieved good results up until January 2021. Income levels are up on last years levels (when excluding the one off item mentioned above) £2,339,227 (2020: £2,146,220), the increase is mainly due to the grants obtained from local authorities to help fund the additional costs incurred to help with infection control due to Covid19.

Costs have increased from £1,955,970 to £2,099,298 due to increased costs due to Covid19. These additional costs have been covered by the grants mentioned above from local authorities.

No fundraising events have been able to take place in the year due to Covid19 restrictions, usually the charity holds a Scampagnata and Classic Car Show annual.

## Villa Scalabrini

### Strategic Report for the Year Ended 31 March 2021

#### *Policy on reserves*

It is the policy of the charity to maintain sufficient unrestricted funds at the level which is similar to one years expenditure levels for charitable activities. This policy enables the home to maintain its standards even in a year of difficulty.

The trustees have the power to invest in such stocks and shares, investments and property as they see fit. The trustees hold the majority of funds on deposit with a small investment held in CAF Balanced Growth Fund.

#### **Plans for future periods**

##### *Aims and key objectives for future periods*

We foresee challenging times ahead due to Covid- 19 and Brexit which may have a negative financial and operational impact

- Implement the approved extension of the home as the planning permissions have been revalidated.
- Refurbishing and upgrading bedrooms (curtains and bedspreads) as well as replacing existing worn out chairs for bedrooms and lounges.
- Floor upgrade/replacement
- Continuing the discussion on the master plan

The strategic report was approved by the trustees of the charity on 5 October 2021 and signed on its behalf by:



Fr Giuseppe Bortolazzo  
Trustee

## **Villa Scalabrini**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

#### **Trustees**

Michael Polledri M.B.E.

Fr Francesco Buttazzo

Fr Giuseppe Bortolazzo

Marco Fiori (resigned 1 February 2021)

Rev Dung Luc Nguyen (resigned 5 October 2020)

Rev Geraldo Melotti Junior

Rev Mauro Lazzarato

Mr Stefano Fiori (appointed 22 February 2021)

Mrs Lisa Di Cesare (appointed 22 February 2021)

#### **Marco Fiori**

It is with deep sadness that we report the passing of Marco Fiori, co-trustee and a true friend of the Scalabrini.

#### **Objectives and activities**

##### ***Objects and aims***

The objectives of the charity, as stated in its Memorandum and Articles of Association, are for such charitable purposes which advance the religious and other charitable work for the time being carried on by or under the direction of the society as the Board shall from time to time think fit. There have been no changes in these objectives during the year.

Amongst the objectives of the Charity, there is a specific one in relation to 'Villa Scalabrini' as a 'Home mainly for Elderly Italians'. Its the objective is to create an environment as much like home as possible for as long as required.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its guidance on fee-charging.

##### **Short / Medium term:**

- To mitigate the risks of Covid and do what it takes to remain Covid-free for as long as possible.
- To work on the home décor and floor upgrade
- Maintain full capacity,
- Maintain the services rated as Outstanding by CQC,
- Complete the approved extension of the home,
- Build the management team of the future,
- Implement the extension plan

##### **Long term:**

- Master plan

## **Villa Scalabrini**

### **Trustees' Report**

#### ***Public benefit***

Our main activities and whom we try to help are described below. All our charitable activities focus on providing care to the elderly and are undertaken to further our charitable purposes for the benefit of the public.

Who used and benefited from our services?

Although Villa Scalabrini was originally opened for the purpose of accommodating elderly Italians, it wants to be recognised as offering equal opportunities to all cultures, religions and nationalities, therefore welcoming all individuals to the Home.

The Home has the facilities to accommodate 53 elderly residents. Some are private funded while others are part or fully funded through local Authorities.

It is important to us that access to the services offered by Villa Scalabrini is not restricted to those who can afford our fees and therefore local authorities are involved in providing part of the fees for some of our residents.

The Home is committed to providing the care and support that the residents require and expects all staff and volunteers to share this commitment.

The level of care provided depends on the individual circumstances and it's our aim to recognise the resident's physical, emotional, social and spiritual needs and to provide appropriate support to meet them.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Structure, governance and management**

##### ***Nature of governing document***

The Charitable Company, which is Limited by guarantee, was incorporated on 1 May 2003 under registration number 4750130 and is governed by its Memorandum and Articles of Association. The company was registered with the Charity Commission on 26 March 2004 and given the number 1102881.

##### ***Recruitment and appointment of trustees***

When a need for a new Trustee is identified, a request is made for applicants and then their suitability is discussed and a candidate agreed. The new trustee is introduced at the next suitable Trustee meeting but does not become a Trustee until the results of the checks are in and the legal processes have been completed.

##### ***Induction and training of trustees***

Induction takes the form of a meeting with a trustee and where relevant key staff who explain responsibilities and how Villa works.

## **Villa Scalabrini**

### **Trustees' Report**

#### ***Organisational structure***

The day to day management of the home is done by the management team including G. Goncalves (assistant director) and L. D'Almeida (director), who report regularly to trustees.

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

The trustees meet on a regular basis to review the Charity's performance and issue new guidance if required.

The charity is connected to the Scalabrini Fathers Company (Charities Commission reference 1141084) and to the Regional Provincial House based in Basel, Switzerland.

#### **Financial instruments**

#### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

#### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 5 October 2021 and signed on its behalf by:



Fr Giuseppe Bortolazzo  
Trustee



## Villa Scalabrini

### Statement of Trustees' Responsibilities

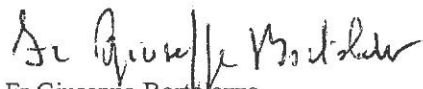
The trustees (who are also the directors of Villa Scalabrini for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Approved by the trustees of the charity on 5 October 2021 and signed on its behalf by:



Fr Giuseppe Bortolazzo  
Trustee

## **Villa Scalabrini**

### **Independent Auditor's Report to the Members of Villa Scalabrini**

#### **Opinion**

We have audited the financial statements of Villa Scalabrini (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

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

We have nothing to report in this regard.

## **Villa Scalabrini**

### **Independent Auditor's Report to the Members of Villa Scalabrini**

#### **Opinion 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where 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 trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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:

## Villa Scalabrini

### Independent Auditor's Report to the Members of Villa Scalabrini

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the environmental waste sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

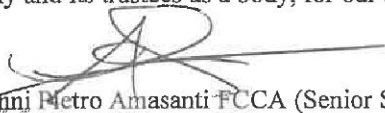
A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Villa Scalabrini**

### **Independent Auditor's Report to the Members of Villa Scalabrini**

#### **Use of our report**

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Gianni Pietro Amasanti FCCA (Senior Statutory Auditor)  
For and on behalf of Sterling Grove Accountants Limited, Statutory Auditor

Thames House  
Bourne End Business Park  
Cores End Road  
Bourne End  
Buckinghamshire  
SL8 5AS

4 October 2021

# Villa Scalabrini

## Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	103,501	194,378	297,879
Charitable activities	4	2,036,850	-	2,036,850
Investment income	5	5,201	-	5,201
Other income	6	(703)	-	(703)
Total income		<u>2,144,849</u>	<u>194,378</u>	<u>2,339,227</u>
<b>Expenditure on:</b>				
Charitable activities	7	(2,063,298)	-	(2,063,298)
Other expenditure	8	(36,000)	-	(36,000)
Total expenditure		<u>(2,099,298)</u>	<u>-</u>	<u>(2,099,298)</u>
Gains/losses on investment assets		<u>65,947</u>	<u>-</u>	<u>65,947</u>
Net income		111,498	194,378	305,876
Transfers between funds		<u>162,898</u>	<u>(162,898)</u>	<u>-</u>
Net movement in funds		274,396	31,480	305,876
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>8,760,131</u>	<u>-</u>	<u>8,760,131</u>
Total funds carried forward	22	<u>9,034,527</u>	<u>31,480</u>	<u>9,066,007</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	6,702,332	13,495	6,715,827
Charitable activities	4	1,967,753	-	1,967,753
Investment income	5	7,379	-	7,379
Other income	6	36,978	-	36,978
Total income		<u>8,714,442</u>	<u>13,495</u>	<u>8,727,937</u>
<b>Expenditure on:</b>				
Charitable activities	7	(1,942,475)	(13,495)	(1,955,970)
Total expenditure		<u>(1,942,475)</u>	<u>(13,495)</u>	<u>(1,955,970)</u>
Gains/losses on investment assets		<u>(57,127)</u>	<u>-</u>	<u>(57,127)</u>
Net income		6,714,840	-	6,714,840
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		6,714,840	-	6,714,840

The notes on pages 16 to 28 form an integral part of these financial statements.

## Villa Scalabrini

### Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Reconciliation of funds</b>				
Total funds brought forward		2,045,291	-	2,045,291
Total funds carried forward	22	<u>8,760,131</u>	<u>-</u>	<u>8,760,131</u>

All of the charity's activities derive from continuing operations during the above two periods.

# Villa Scalabrini

(Registration number: 4750130)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	7,815,228	7,980,017
Investments	16	270,023	204,076
		<u>8,085,251</u>	<u>8,184,093</u>
<b>Current assets</b>			
Debtors	17	84,209	20,809
Cash at bank and in hand	18	956,969	617,318
		1,041,178	638,127
<b>Creditors: Amounts falling due within one year</b>	19	<u>(60,422)</u>	<u>(62,089)</u>
<b>Net current assets</b>		<u>980,756</u>	<u>576,038</u>
<b>Net assets</b>		<u>9,066,007</u>	<u>8,760,131</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>		<u>31,480</u>	<u>-</u>
<b>Unrestricted income funds</b>			
Unrestricted		8,928,462	8,720,013
Unrestricted revaluation reserve		106,065	40,118
<b>Total unrestricted funds</b>	22	<u>9,034,527</u>	<u>8,760,131</u>
<b>Total funds</b>		<u>9,066,007</u>	<u>8,760,131</u>

The financial statements on pages 12 to 28 were approved by the trustees, and authorised for issue on 5 October 2021 and signed on their behalf by:

Fr Giuseppe Bortolazzo  
Trustee

The notes on pages 16 to 28 form an integral part of these financial statements.



## Villa Scalabrini

### Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash income		239,929	6,771,967
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	8	179,547	180,438
Investment income	5	(5,201)	(7,379)
Non exchange transaction		-	(6,581,717)
		414,275	363,309
<b>Working capital adjustments</b>			
Increase in debtors	17	(63,400)	(2,723)
(Decrease)/increase in creditors	19	(1,667)	4,802
Net cash flows from operating activities		349,208	365,388
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	5,201	7,379
Purchase of tangible fixed assets	15	(14,758)	(7,653,050)
Sale of tangible fixed assets		-	868,284
Donation of land and building		-	6,581,717
Net cash flows from investing activities		(9,557)	(195,670)
Net increase in cash and cash equivalents		339,651	169,718
Cash and cash equivalents at 1 April		617,318	447,600
Cash and cash equivalents at 31 March		956,969	617,318

All of the cash flows are derived from continuing operations during the above two periods.

## **Villa Scalabrini**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Green Street  
Shenley  
Herts  
WD7 9BB

These financial statements were authorised for issue by the trustees on 5 October 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Villa Scalabrini 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 notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

##### **Donations and legacies**

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

## **Villa Scalabrini**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### ***Gifts in kind***

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

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

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

## **Villa Scalabrini**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £100.00 or more are initially recorded at cost.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	Over 50 years
Leasehold property	Over 20 years
Fixtures and fittings	15-20% Reducing balance
Motor vehicles	25% Reducing balance

#### **Research and development**

Research and development expenditure is written off as incurred.

#### **Fixed asset investments**

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

## **Villa Scalabrini**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# Villa Scalabrini

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations from individuals	88,757	32,518	121,275	134,111
Grants;				
Government grants	14,744	161,860	176,604	-
Gifts in kind	-	-	-	6,581,716
	<u>103,501</u>	<u>194,378</u>	<u>297,879</u>	<u>6,715,827</u>

### 4 Income from charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Respite care	11,029	11,029	96,176
Private funding	1,363,273	1,363,273	1,305,049
Local authoirty funding	624,071	624,071	535,195
Hospitality income	38,477	38,477	31,333
	<u>2,036,850</u>	<u>2,036,850</u>	<u>1,967,753</u>

### 5 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Other interest receivable	<u>5,201</u>	<u>5,201</u>	<u>7,379</u>

### 6 Other income

	Unrestricted General £	Total 2021 £	Total 2020 £
Other income	<u>(703)</u>	<u>(703)</u>	<u>36,978</u>

## Villa Scalabrini

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 7 Expenditure on charitable activities

		Unrestricted		
	Note	General £	Total 2021 £	Total 2020 £
Food purchases		97,156	97,156	104,027
Utility costs		70,004	70,004	71,393
Establishment costs		27,426	27,426	59,147
Repairs and maintenance		64,193	64,193	64,971
Office expenses		6,849	6,849	6,934
Printing, posting and stationery		20,009	20,009	12,620
Sundry and other costs		14,813	14,813	38,746
Cleaning		92,930	92,930	46,770
Motor expenses		7,412	7,412	8,392
Advertsing and promotion		1,252	1,252	2,616
Training and welfare costs		4,492	4,492	7,584
Depreciation, amortisation and other similar costs		179,547	179,547	180,438
Staff costs		1,447,494	1,447,494	1,329,533
Governance costs	9	29,721	29,721	22,799
		<u>2,063,298</u>	<u>2,063,298</u>	<u>1,955,970</u>

#### 8 Other expenditure

	Note	Unrestricted funds General £	Total funds £
Donations paid		<u>36,000</u>	<u>36,000</u>
Total for 2021		<u>36,000</u>	<u>36,000</u>

## Villa Scalabrini

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 9 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Audit fees			
Audit of the financial statements	6,600	6,600	7,200
Other fees paid to auditors	8,333	8,333	6,523
Legal fees	14,719	14,719	8,994
Bank charges	69	69	82
	<u>29,721</u>	<u>29,721</u>	<u>22,799</u>

#### 10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Audit fees	6,600	7,200
Depreciation of fixed assets	<u>179,547</u>	<u>180,438</u>

#### 11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	1,312,919	1,206,565
Social security costs	108,961	99,373
Pension costs	<u>25,614</u>	<u>23,595</u>
	<u>1,447,494</u>	<u>1,329,533</u>



## Villa Scalabrini

### Notes to the Financial Statements for the Year Ended 31 March 2021

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Residential home	<u>62</u>	<u>61</u>

62 (2020 - 61) of the above employees participated in the Defined Contribution Pension Schemes.

The number of employees whose emoluments fell within the following bands was:

	2021 No
£60,001 - £70,000	<u>1</u>

The total employee benefits of the key management personnel of the charity were £153,377 (2020 - £144,031).

#### 13 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>6,600</u>	<u>7,200</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>8,333</u>	<u>6,523</u>

#### 14 Taxation

The charity is a registered charity and is therefore exempt from taxation.

## Villa Scalabrini

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2020	8,076,576	590,083	13,559	8,680,218
Additions	-	14,758	-	14,758
At 31 March 2021	<u>8,076,576</u>	<u>604,841</u>	<u>13,559</u>	<u>8,694,976</u>
<b>Depreciation</b>				
At 1 April 2020	170,954	519,373	9,874	700,201
Charge for the year	161,532	17,094	921	179,547
At 31 March 2021	<u>332,486</u>	<u>536,467</u>	<u>10,795</u>	<u>879,748</u>
<b>Net book value</b>				
At 31 March 2021	<u>7,744,090</u>	<u>68,374</u>	<u>2,764</u>	<u>7,815,228</u>
At 31 March 2020	<u>7,905,622</u>	<u>70,710</u>	<u>3,685</u>	<u>7,980,017</u>

Included within the net book value of land and buildings above is £7,744,090 (2020 - £7,905,622) in respect of freehold land and buildings and £Nil (2020 - £Nil) in respect of leaseholds.

#### 16 Fixed asset investments

	2021 £	2020 £
Other investments	<u>270,023</u>	<u>204,076</u>
<b>Other investments</b>		
	Other investments £	Total £
<b>Cost or Valuation</b>		
At 1 April 2020	204,076	204,076
Revaluation	65,947	65,947
At 31 March 2021	<u>270,023</u>	<u>270,023</u>
<b>Net book value</b>		
At 31 March 2021	<u>270,023</u>	<u>270,023</u>
At 31 March 2020	<u>204,076</u>	<u>204,076</u>

## Villa Scalabrini

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 17 Debtors

	2021 £	2020 £
Trade debtors	5,103	16,261
Prepayments	9,106	4,548
Other debtors	70,000	-
	<u>84,209</u>	<u>20,809</u>

#### 18 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	2,554	2,492
Cash at bank	954,415	614,826
	<u>956,969</u>	<u>617,318</u>

#### 19 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	15,997	23,170
Other taxation and social security	22,659	26,874
Other creditors	-	468
Pension scheme creditor	4,440	5,277
Accruals	6,300	6,300
Deferred income	11,026	-
	<u>60,422</u>	<u>62,089</u>

#### 20 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £25,614 (2020 - £23,595) and this expense has been allocated in full to unrestricted funds on the basis that it relates entirely to the running of the home.

# Villa Scalabrini

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 21 Reserves

	Unrestricted revaluation reserve £	Total £
At 1 April 2020	40,118	40,118
Unrealised gain on investments	65,947	65,947
At 31 March 2021	106,065	106,065
	Unrestricted revaluation reserve £	Total £
At 1 April 2019	97,245	97,245
Unrealised loss on investments	(57,127)	(57,127)
At 31 March 2020	40,118	40,118

### 22 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
General	8,720,013	2,144,849	(2,099,298)	96,951	65,947	8,928,462
Revaluation reserve	40,118	-	-	65,947	-	106,065
<b>Total unrestricted funds</b>	8,760,131	2,144,849	(2,099,298)	162,898	65,947	9,034,527
<b>Restricted funds</b>	-	194,378	-	(162,898)	-	31,480
<b>Total funds</b>	8,760,131	2,339,227	(2,099,298)	-	65,947	9,066,007
		Incoming resources £	Transfers £	Balance at 31 March 2021 £		
<b>Restricted funds</b>						
Donations		32,518	(32,518)	-		
Government grants		161,860	(130,380)	31,480		
		194,378	(162,898)	31,480		

## Villa Scalabrini

### Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
<b>Unrestricted</b>						
General	1,948,046	8,714,442	(1,942,475)	57,127	(57,127)	8,720,013
Revaluation reserve	97,245	-	-	(57,127)	-	40,118
<b>Total unrestricted</b>	<b>2,045,291</b>	<b>8,714,442</b>	<b>(1,942,475)</b>	<b>-</b>	<b>(57,127)</b>	<b>8,760,131</b>
<b>Restricted</b>	<b>-</b>	<b>13,495</b>	<b>(13,495)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funds</b>	<b>2,045,291</b>	<b>8,727,937</b>	<b>(1,955,970)</b>	<b>-</b>	<b>(57,127)</b>	<b>8,760,131</b>

The specific purposes for which the funds are to be applied are as follows:

The Restricted funds held are for:

Donations were received for the purpose of a Covid Cocoon area, this work was completed fully in the year and these donations were used to help fund this.

Government grants were received in relation to Covid19 and were used to help with the additional costs associated with Infection Control caused by the pandemic.

A transfer of funds were made as these restricted funds were fully utilised in the year to help fund the costs detailed above.

#### 23 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	7,815,228	-	7,815,228
Fixed asset investments	270,023	-	270,023
Current assets	1,009,698	31,480	1,041,178
Current liabilities	(60,422)	-	(60,422)
Total net assets	9,034,527	31,480	9,066,007

	Unrestricted funds General £	Total funds at 31 March 2020 £
Tangible fixed assets	7,980,017	7,980,017
Fixed asset investments	204,076	204,076
Current assets	638,127	638,127
Current liabilities	(62,089)	(62,089)
Total net assets	8,760,131	8,760,131

## Villa Scalabrini

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 24 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	617,318	339,651	956,969
Net debt	617,318	339,651	956,969
	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	447,600	169,718	617,318
Net debt	447,600	169,718	617,318

#### 25 Related party transactions

During the year the charity made the following related party transactions:

##### Scalabrini Fathers Company

(Scalabrini Fathers Company is a registered with the Charity Commission under reference 1141084)

During the year Villa Scalabrini paid donations to Scalabrini Fathers totalling £36,000 (2020: £nil) for the year.

At the balance sheet date the amount due to/from Scalabrini Fathers Company was £Nil (2020 - £Nil).