

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 2022

Sterling Grove Accountants Limited
Chartered Certified Accountants and Statutory Auditors
Fawley House
2 Regatta Place
Marlow Road
Bourne End
Buckinghamshire
SL8 5TD

Villa Scalabrini

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Reference and Administrative Details

Trustees	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
Secretary	Gentil Goncalves
Charity Registration Number	1102881
Company Registration Number	4750130
Registered Office	Green Street Shenley Herts WD7 9BB
Auditor	Sterling Grove Accountants Limited Chartered Certified Accountants and Statutory Auditors Fawley House 2 Regatta Place Marlow Road Bourne End Buckinghamshire SL8 5TD
Bankers	CAF Bank Limited

Villa Scalabrini

Strategic Report for the Year Ended 31 March 2022

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2022, 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.

Financial review

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.

The strategic report was approved by the trustees of the charity on 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 2022.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	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

Secretary:	Gentil Goncalves
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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 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 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 2022, 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 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 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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.

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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 charity 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 6), 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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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. This description forms part of our auditor's report.

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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

Fawley House
2 Regatta Place
Marlow Road
Bourne End
Buckinghamshire
SL8 5TD

Date:.....

Villa Scalabrini

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	84,063	143,605	227,668
Charitable activities	4	2,223,097	-	2,223,097
Investment income	5	4,383	-	4,383
Other income	6	4,173	-	4,173
Total income		<u>2,315,716</u>	<u>143,605</u>	<u>2,459,321</u>
Expenditure on:				
Charitable activities	7	(2,082,240)	-	(2,082,240)
Other expenditure	8	<u>(36,000)</u>	<u>-</u>	<u>(36,000)</u>
Total expenditure		<u>(2,118,240)</u>	<u>-</u>	<u>(2,118,240)</u>
Gains/losses on investment assets		<u>17,205</u>	<u>-</u>	<u>17,205</u>
Net income		214,681	143,605	358,286
Transfers between funds		<u>151,085</u>	<u>(151,085)</u>	<u>-</u>
Net movement in funds		365,766	(7,480)	358,286
Reconciliation of funds				
Total funds brought forward		<u>9,034,527</u>	<u>31,480</u>	<u>9,066,007</u>
Total funds carried forward	22	<u>9,400,293</u>	<u>24,000</u>	<u>9,424,293</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
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	<u>(703)</u>	<u>-</u>	<u>(703)</u>
Total income		<u>2,144,849</u>	<u>194,378</u>	<u>2,339,227</u>
Expenditure on:				
Charitable activities	7	(2,063,298)	-	(2,063,298)
Other expenditure	8	<u>(36,000)</u>	<u>-</u>	<u>(36,000)</u>
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

The notes on pages 15 to 27 form an integral part of these financial statements.

Villa Scalabrini

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Reconciliation of funds				
Total funds brought forward		8,760,131	-	8,760,131
Total funds carried forward	22	9,034,527	31,480	9,066,007

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

The funds breakdown for 2021 is shown in note 22.

The notes on pages 15 to 27 form an integral part of these financial statements.

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(Registration number: 4750130) Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	7,651,536	7,815,228
Investments	16	<u>287,228</u>	<u>270,023</u>
		<u>7,938,764</u>	<u>8,085,251</u>
Current assets			
Debtors	17	69,097	84,209
Cash at bank and in hand	18	<u>1,572,016</u>	<u>956,969</u>
		1,641,113	1,041,178
Creditors: Amounts falling due within one year	19	<u>(155,584)</u>	<u>(60,422)</u>
Net current assets		<u>1,485,529</u>	<u>980,756</u>
Net assets		<u>9,424,293</u>	<u>9,066,007</u>
Funds of the charity:			
Restricted		<u>24,000</u>	<u>31,480</u>
Unrestricted income funds			
Unrestricted		9,277,023	8,928,462
Unrestricted revaluation reserve		<u>123,270</u>	<u>106,065</u>
Total unrestricted funds	22	<u>9,400,293</u>	<u>9,034,527</u>
Total funds		<u>9,424,293</u>	<u>9,066,007</u>

The financial statements on pages 11 to 27 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
Fr Giuseppe Bortolazzo
Trustee

The notes on pages 15 to 27 form an integral part of these financial statements.

Villa Scalabrini

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		341,081	239,929
Adjustments to cash flows from non-cash items			
Depreciation	8	176,147	179,547
Investment income	5	<u>(4,383)</u>	<u>(5,201)</u>
		512,845	414,275
Working capital adjustments			
Decrease/(increase) in debtors	17	15,112	(63,400)
Increase/(decrease) in creditors	19	<u>95,162</u>	<u>(1,667)</u>
Net cash flows from operating activities		<u>623,119</u>	<u>349,208</u>
Cash flows from investing activities			
Interest receivable and similar income	5	4,383	5,201
Purchase of tangible fixed assets	15	<u>(12,455)</u>	<u>(14,758)</u>
Net cash flows from investing activities		<u>(8,072)</u>	<u>(9,557)</u>
Net increase in cash and cash equivalents		615,047	339,651
Cash and cash equivalents at 1 April		<u>956,969</u>	<u>617,318</u>
Cash and cash equivalents at 31 March		<u><u>1,572,016</u></u>	<u><u>956,969</u></u>

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

The notes on pages 15 to 27 form an integral part of these financial statements.

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

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

[Authorised for issue date](#)

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 2022

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.

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.

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.

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

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:

Asset class	Depreciation method and rate
Freehold property	Over 50 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.

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.

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

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 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.

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Notes to the Financial Statements for the Year Ended 31 March 2022

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies;				
Donations from individuals	71,505	24,000	95,505	121,275
Grants;				
Government grants	12,558	119,605	132,163	176,604
	<u>84,063</u>	<u>143,605</u>	<u>227,668</u>	<u>297,879</u>

4 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Respite care	137,541	137,541	11,029
Private funding	1,380,810	1,380,810	1,363,273
Local authority funding	667,559	667,559	624,071
Hospitality income	37,187	37,187	38,477
	<u>2,223,097</u>	<u>2,223,097</u>	<u>2,036,850</u>

5 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Other interest receivable	4,383	4,383	5,201

6 Other income

	Unrestricted General £	Total 2022 £	Total 2021 £
Fundraising income	4,173	4,173	(703)

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Expenditure on charitable activities

		Unrestricted		
		General	Total	Total
	Note	£	2022 £	2021 £
Food purchases		104,527	104,527	97,156
Utility costs		71,351	71,351	70,004
Establishment costs		32,422	32,422	27,426
Repairs and maintenance		60,074	60,074	64,193
Office expenses		7,695	7,695	6,849
Printing, posting and stationery		9,831	9,831	20,009
Sundry and other costs		14,140	14,140	14,813
Cleaning		62,694	62,694	92,930
Motor expenses		3,614	3,614	7,412
Advertsing and promotion		3,614	3,614	1,252
Training and welfare costs		5,435	5,435	4,492
Depreciation, amortisation and other similar costs		176,146	176,146	179,547
Staff costs		1,503,471	1,503,471	1,447,494
Governance costs	9	27,226	27,226	29,721
		<u>2,082,240</u>	<u>2,082,240</u>	<u>2,063,298</u>

8 Other expenditure

		Unrestricted funds General £	Total funds £
	Note		
Donations paid		36,000	36,000
Total for 2022		<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 2022

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Audit fees			
Audit of the financial statements	6,600	6,600	6,600
Other fees paid to auditors	6,125	6,125	8,333
Legal fees	14,344	14,344	14,719
Bank charges	157	157	69
	<u>27,226</u>	<u>27,226</u>	<u>29,721</u>

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Audit fees	6,600	6,600
Depreciation of fixed assets	<u>176,146</u>	<u>179,547</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:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	1,361,941	1,312,919
Social security costs	116,047	108,961
Pension costs	<u>25,483</u>	<u>25,614</u>
	<u>1,503,471</u>	<u>1,447,494</u>

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

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

	2022 No	2021 No
Residential home	<u>56</u>	<u>62</u>

56 (2021 - 62) of the above employees participated in the Defined Contribution Pension Schemes.

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

	2022 No	2021 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £162,801 (2021 - £153,377).

13 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>6,600</u>	<u>6,600</u>
Other fees to auditors		
All other non-audit services	<u>6,125</u>	<u>8,333</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 2022

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2021	8,076,576	604,841	13,559	8,694,976
Additions	<u>12,455</u>	<u>-</u>	<u>-</u>	<u>12,455</u>
At 31 March 2022	<u>8,089,031</u>	<u>604,841</u>	<u>13,559</u>	<u>8,707,431</u>
Depreciation				
At 1 April 2021	332,486	536,467	10,795	879,748
Charge for the year	<u>161,781</u>	<u>13,675</u>	<u>691</u>	<u>176,147</u>
At 31 March 2022	<u>494,267</u>	<u>550,142</u>	<u>11,486</u>	<u>1,055,895</u>
Net book value				
At 31 March 2022	<u>7,594,764</u>	<u>54,699</u>	<u>2,073</u>	<u>7,651,536</u>
At 31 March 2021	<u>7,744,090</u>	<u>68,374</u>	<u>2,764</u>	<u>7,815,228</u>

Included within the net book value of land and buildings above is £7,594,764 (2021 - £7,744,090) in respect of freehold land and buildings and £Nil (2021 - £Nil) in respect of leaseholds.

16 Fixed asset investments

	2022 £	2021 £
Other investments	<u>287,228</u>	<u>270,023</u>
Other investments		
	Other investments £	Total £
Cost or Valuation		
At 1 April 2021	270,023	270,023
Revaluation	<u>17,205</u>	<u>17,205</u>
At 31 March 2022	<u>287,228</u>	<u>287,228</u>
Net book value		
At 31 March 2022	<u>287,228</u>	<u>287,228</u>
At 31 March 2021	<u>270,023</u>	<u>270,023</u>

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

17 Debtors

	2022 £	2021 £
Trade debtors	1,479	5,103
Prepayments	6,069	9,106
Other debtors	61,549	70,000
	<u>69,097</u>	<u>84,209</u>

18 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	1,303	2,554
Cash at bank	1,570,713	954,415
	<u>1,572,016</u>	<u>956,969</u>

19 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	33,307	15,997
Other taxation and social security	59,600	22,659
Pension scheme creditor	6,060	4,440
Accruals	6,300	6,300
Deferred income	50,317	11,026
	<u>155,584</u>	<u>60,422</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 £25,483 (2021 - £25,614) 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 2022

21 Reserves

	Unrestricted revaluation reserve £	Total £
At 1 April 2021	106,065	106,065
Unrealised gain on investments	17,205	17,205
At 31 March 2022	123,270	123,270
	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

22 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General	8,928,462	2,315,716	(2,118,240)	133,880	17,205	9,277,023
Revaluation reserve	<u>106,065</u>	<u>-</u>	<u>-</u>	<u>17,205</u>	<u>-</u>	<u>123,270</u>
Total unrestricted funds	9,034,527	2,315,716	(2,118,240)	151,085	17,205	9,400,293
Restricted funds	<u>31,480</u>	<u>143,605</u>	<u>-</u>	<u>(151,085)</u>	<u>-</u>	<u>24,000</u>
Total funds	<u><u>9,066,007</u></u>	<u><u>2,459,321</u></u>	<u><u>(2,118,240)</u></u>	<u><u>-</u></u>	<u><u>17,205</u></u>	<u><u>9,424,293</u></u>
		Balance at 1 April 2021 £	Incoming resources £	Transfers £		Balance at 31 March 2022 £
Restricted funds						
Donations		-	24,000	-		24,000
Government grants		<u>31,480</u>	<u>119,605</u>	<u>(151,085)</u>		<u>-</u>
		31,480	143,605	(151,085)		24,000

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted						
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
Total unrestricted	8,760,131	2,144,849	(2,099,298)	162,898	65,947	9,034,527
Restricted	-	194,378	-	(162,898)	-	31,480
Total funds	<u>8,760,131</u>	<u>2,339,227</u>	<u>(2,099,298)</u>	<u>-</u>	<u>65,947</u>	<u>9,066,007</u>

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

The Restricted funds held are for:

A Donation was received from RSA Trust for Interior renovation, this work was not start until July 2022 and therefore at the year end the funds were still held.

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.

23 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	7,651,536	-	7,651,536
Fixed asset investments	287,228	-	287,228
Current assets	1,617,113	24,000	1,641,113
Current liabilities	(155,584)	-	(155,584)
Total net assets	<u>9,400,293</u>	<u>24,000</u>	<u>9,424,293</u>
	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	<u>9,034,527</u>	<u>31,480</u>	<u>9,066,007</u>

Villa Scalabrini

Notes to the Financial Statements for the Year Ended 31 March 2022

24 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	956,969	(956,969)	-
Net debt	956,969	(956,969)	-
	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

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 (2021: £36,000) for the year. At the balance sheet date the amount due to/from Scalabrini Fathers Company was £Nil (2021 - £Nil).