

Charity Registration No. 1141827 (England and Wales)

Charity Registration No. SC041763 (Scotland)

Company Registration No. 06052737 (England and Wales)

**MEGAN BAKER HOUSE LTD**

**ANNUAL REPORT AND UNAUDITED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**PAGES FOR FILING WITH REGISTRAR**

# MEGAN BAKER HOUSE LTD

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Dr R C J Wileman Mr T Oakley Dr D G Gleaves Ms J A Mears Mrs L Auger-Small
<b>Charity number (England and Wales)</b>	1141827
<b>Charity number (Scotland)</b>	SC041763
<b>Company number</b>	06052737
<b>Principal address</b>	Megan Baker House Orchard Lane Ledbury Herefordshire United Kingdom HR8 1BY
<b>Registered office</b>	Megan Baker House Orchard Lane Ledbury Herefordshire United Kingdom HR8 1BY
<b>Independent examiner</b>	Hawkins Priday Ltd 5 Bridge Street Hereford HR4 9DF
<b>Senior Management Team</b>	Mrs A Gough (Chief Executive) Mr J Gough (Operations Manager)

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# MEGAN BAKER HOUSE LTD

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# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

Our charity's purposes, as set out in the objects contained in the company memorandum of association are: To advance the education and relieve suffering of primarily children with motor disorders and provide information, advice and guidance to their families and carers in particular, by means of conductive education.

The charity is a centre for movement disorders and aims to help clients overcome their movement disorders and enhance their independence, using techniques based on conductive education. Conductive education sees motor disorders as a problem of learning, oppose to a medical condition needing treatment. It was initially developed for the needs of children with cerebral palsy, but it is appropriate for any condition where the central nervous system affects the ability to coordinate and control movements. In childhood this includes cerebral palsy, developmental coordination disorder (DCD aka dyspraxia) and adults suffering from multiple sclerosis, stroke or Parkinson's disease. It can also be used to help those with acquired brain injury, in all age groups.

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

#### **Significant activities**

##### **Services**

The Covid-19 pandemic had a significant impact on services during the year. A national lockdown started on the 23 March 2020 and the charity stopped seeing clients in person until August 2020. During lockdown we developed digital services that were delivered via the Zoom application and reopened face-to-face sessions in September 2020 for those not self-isolating. During the pandemic digital services attracted 64% of previously face-to-face clients and proved to be so popular they are now a permanent feature of the MBH portfolio. In August 2020 the charity left its home of eighteen-years just outside of Leominster as part of the plans for project REACHOUT which would take MBH closer to the communities it served. REACHOUT had been two-years in the planning and involved the charity working from several additional venues in Shropshire, Worcestershire and North Gloucestershire in addition to its base in Ledbury that had opened in 2018. The project would necessitate staff working remotely to deliver services and complete reports and plans at home. MBH had planned for home working long before it became a government directive. During periods of lockdown, the staff continued to train under the supervision of Head of Client services so the time was used productively for their personal professional development. There were three national lockdowns during the period covered by this report but the charity was allowed to remain operational for two of them as it was deemed to be providing key services. However, in January a new Covid variant (named P.2 or Brazilian) was identified as cases and deaths started to rise dramatically. Considering the widespread locations of staff and clients, it was decided to suspend all face-to-face sessions on the 11th January for two months, opening again in March 2021. All members of staff were vaccinated at the earliest opportunity in order to protect our clients, themselves and their families and overall the staff have been extremely helpful, dedicated and professional during a very testing period. In March 2021, 80% of clients returned to sessions in person, 10% stayed with digital services and 10% were unable to benefit from either. To ensure that those in need know of the help we can provide, the charity recruited a marketing manager in March 2021 as a part-time post.

##### **Looking Outwards**

The CEO is a member of a consortium of Heads of conductive education centres from across England and Northern Ireland, which met regularly during the year to share "best practice" in how to operate during the pandemic. All visits from other bodies, such as The University of Worcester, were suspended for the duration of this report.

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Community and Corporate Support

The charity is indebted to many individuals and organisations that have given vital support during the past year, the result of both longstanding and new relationships including:

- Lanyon Bowdler
- ABE Logistics
- Leominster Golf Club
- Services for Independent Living
- Individuals, groups and companies

Due to the specialist nature of our services, we cannot have volunteers working in the centres, but we do have many volunteers who help with our fundraising events.

We have an active board of trustees, who gave their time and expertise freely to the charity, providing sound governance and support.

### Public benefit

The charity is open to all who may benefit, irrespective of age, gender, race or religion. Megan Baker House fills a gap in the provision of statutory services for those with motor disabilities. Through the provision of our specialist services we provide the best possible opportunities for our beneficiaries to gain greater independence and a more optimistic future.

Parents and beneficiaries receive practical advice and other key stakeholders, such as professionals from the health and education sectors, gain from the training, mentoring and work experience opportunities we provide.

### Achievements and performance

#### Charitable activities

Despite the COVID-19 pandemic, during the year approximately 200 people benefitted from the expertise and specialist services offered by the charity, which is an increase on the previous year. This included children and adults with motor disorders such as cerebral palsy, developmental coordination delay (aka dyspraxia), Parkinson's, multiple sclerosis, stroke, acquired brain injury and other neurological conditions that affect gross and fine motor skills. The charity also provided support and advice for their families and carers and this was especially welcomed during the pandemic. Those with motor-disabilities receive very little statutory provision during normal years so for the last year our services were vital to ensure the overall wellbeing of clients. Due to the long interruptions to services, formal assessments were very difficult to carry out but clients gave valuable feedback on the performance of the charity. The following are some of the comments that the charity received. "Knowledgeable, professional and friendly staff. Excellent programme providing good range of physical exercise tailored to the individual. Regular, detailed feedback (both verbal and written/pictorial) with personalised targets, feedback and record of progress." "Amazing work, achievable goals set for each child, best possible outcomes".

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Statutory and 'best practice' activities

Even though the charity is small it is subject to all statutory obligations as with any business that employs people and works with the general public. As such MBH has many policies and procedures in place with Safeguarding and The General Data Protection Regulation (GDPR) being the most active.

MBH trustees are satisfied that our operations are commensurate with all legislation relevant to the charity.

'Best-practice' is embedded within the MBH culture and staff share their expertise freely with other key stakeholders in our client's wellbeing. Our expertise and experience sits comfortably in the health and education sectors as we address both the physical and academic needs of beneficiaries, for example, helping children with cerebral palsy to learn new ways to complete everyday tasks and helping children with DCD to learn strategies to help concentration in a school setting.

Continuous professional development is expected of all staff and training days are scheduled in the annual timetable. Classroom assistants are supported to undertake the level three Conductive Assistant course as well as receiving continuous training in-house.

Prior to the COVID 19 pandemic the charity had undergone a root and branch re-organisation of the delivery model, resulting in project REACHOUT, with many services being delivered at village halls and community centres and with Ledbury becoming the main MBH venue and centre of operations. This meant that our fixed cost base was significantly reduced with the majority of remaining costs relating to staff pay and the rental of REACHOUT locations (paid for on a "as used" basis). As a result, when the pandemic hit the UK, the charity managed to limit the financial impact and avoid the loss of any of our skilled staff. We also developed new ways to both maintain contact with our client base, almost all of whom were shielding, and continue to deliver a modified support package, using social media and digital delivery of conductive education sessions via 'Zoom'. This along with very careful cost management during the period and a very active approach to fund raising has helped to ensure the survival of the charity, it's staff and continued support to it's clients (those being directly helped and their extended families) during a very difficult and testing period for all.

### Fundraising activities

The charity has two staff significantly engaged on this activity - Lee, Chief Executive and John, Operations Manager. John focuses on making bids to charitable trusts while Lee concentrates on building support from individuals and businesses. During the year there were no events possible and community fundraising was all but impossible due to the pandemic casting its shadow over the world. After a worrying period at the start of the initial lockdown, some grants were secured which allowed the charity to develop its digital services and ensure financial stability going into FY21. Once again, we are indebted to the charitable trusts and individuals who supported MBH through such a testing period. We received £20,921 from donations, £36,170 from client payments, £2,304 from events and £429,430 from grant-giving bodies. The charity was awarded grants from eighteen trusts.

### Major Donors

The charity gratefully acknowledges donations from the following charitable trusts and organisations:

The Eveson Charitable Trust; Edward Gostling Foundation; The Kildare Charitable Trust; BBC Children in Need; The Millichope Foundation; Collins Aerospace; February Foundation; Sobell; Herefordshire Community Fund; Worcestershire Community Fund; Harry Payne; Croft; Lasletts; St James's Place; Sylvia Adams; Garfield Weston; The National Lottery (Govt. Dept Culture, Media & Sport); Julia & Hans Rausing Trust

### Financial review

The total income achieved in the year was £488,856, which was £144,609 greater than the previous year, and this year's expenditure of £335,474 was £16,099 less, resulting in an overall surplus of £153,382. Income was derived from four main sources - grants, participants fees, donations and events, each contributing 88%, 7%, 4% and 1% respectively.

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Reserves policy

The trustees agreed policy is to have sufficient reserves to smooth cash flow and deal with any unforeseen costs to the charity. The policy also recognises that it is not appropriate to amass large reserves which could be spent on delivering services to more clients. This balance is achieved by having reserves equivalent to six to twelve months of operational costs. In practice, the amount of reserves have fluctuated during the year as the COVID-19 pandemic took effect and then improved as support packages from Government and private institutions came into effect. This enables the charity's Board to move from a crisis management mode of considering its survival to one where it could activity put in plans to find new, safe ways to continue delivering our services to those clients in need that were able to respond (e.g. the development and roll-out of virtual classes as discussed above). By the end of the financial year MBH held approximately 9-10 months of operational costs. At 31 March 2021 MBH had assets less current liabilities of £284,260 of which £266,151 were unrestricted.

These reserves may appear high in comparison with previous end of years, however the Board believe that because of the on-going COVID-19 emergency, the position of obtaining grants and fund raising will become increasingly uncertain during the next year, with the potential loss of some grants impacting a three year period. It is therefore the view of the Board that these reserves will be required as a prudent safety net for the coming year to ensure that our services, support to clients and their families are able to continue in both face-to-face and "virtual" delivery over the forthcoming year.

### Going Concern

The trustees have reviewed the circumstances of Megan Baker House and consider that adequate resources continue to be available to fund the activities of the Charity for the foreseeable future. There are no material uncertainties about the Charity's ability to continue as a going concern.

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

### Future Plans

During FY21 the charity will be recruiting additional staff to ensure that all venues and clients are adequately resourced and digital services can continue to develop. A new MBH video will be produced in five and one-minute versions to showcase the charity across all social media platforms and increase client numbers. A REACHOUT venue will be opened in Worcestershire as approximately 16% of current clients reside in that county and there will be more that are yet to discover MBH.

### Structure, governance and management

#### Governing document

The charity is controlled by its governing document, the memorandum of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

### Trustees

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

Dr R C J Wileman

Mr T Oakley

Mr R Taylor

(Resigned 30 November 2020)

Dr D G Gleaves

Ms J A Mears

Mrs L Auger-Small

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### **Recruitment and appointment of new Trustees**

Trustees are aware that to fully meet their responsibilities not only as Trustees but also employers and to ensure compliance with current legislations, a broad skills remit is required. With this in mind, they are always keen to recruit new Trustees who can add value and skills to the current board.

New Trustees can apply to, or be nominated to join the board by, an existing member or an outside organisation. The appointment is formalised by a resolution of the Trustees and formal acceptance of the Trusteeship by the prospective Trustee. This is documented in the board minutes. Trustees are appointed to the board for a period of three years and then either retire or are re-elected during the Annual General Meeting.

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

### **Organisational structure**

Megan Baker House has a Board of Trustees comprising currently of five members covering a broad spectrum of professional backgrounds, who receive no payments from the charity. Eleven staff undertake the day to day running of the charity, four of whom are part-time. Megan Baker House also has a large number of volunteers providing additional support to fundraising events.

Operational management of the centre and responsibility for the provision of services rests with the chief executive officer.

The operations manager undertakes the supervision of staff and ensures that procedures are in place to enable the team to continue to develop their skills and working practices in line with best practice.

Monthly reports are prepared to monitor income, expenditure and cost of all services provided. Additionally, performance reports are collated relating to service hours, numbers of beneficiaries and their progress.

### **Trustee Meetings and Management Support**

The Board of Trustees meet every four to six weeks many of which were conducted via the Zoom application. Other meetings are convened if required to discuss specific subjects, with recommendations being taken to board meetings for approval.

In addition to the formal meetings, trustees meet with individual staff and groups of staff as and when required to provide advice and guidance. Communication between the Chair, chief executive and operations manager takes place at least weekly.

All trustees like to use their skills for the greatest benefit to the charity and the chairman has allocated each with a specific responsibility.

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

**Dr R C J Wileman**

Trustee

Dated: 14 October 2021



# MEGAN BAKER HOUSE LTD

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF MEGAN BAKER HOUSE LTD

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I report to the trustees on my examination of the financial statements of Megan Baker House Ltd (the charity) for the year ended 31 March 2021.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 (the 2006 Act). You are satisfied that the financial statements of the charity are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I confirm that I am qualified to undertake the examination because I am a member of ACCA (Association of Chartered Certified Accountants), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Mr Kelvin Paul Alexander ACCA  
Hawkins Priday Ltd  
Chartered Certified Accountants  
5 Bridge Street  
Hereford  
HR4 9DF

Dated: 16 November 2021

# MEGAN BAKER HOUSE LTD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b><u>Income from:</u></b>							
Donations, legacies and grants	4	415,564	34,787	450,351	205,741	48,455	254,196
Participants fees	3	36,170	-	36,170	75,517	-	75,517
Fundraising events	5	2,304	-	2,304	14,391	-	14,391
Investments	6	31	-	31	143	-	143
<b>Total income</b>		<b>454,069</b>	<b>34,787</b>	<b>488,856</b>	<b>295,792</b>	<b>48,455</b>	<b>344,247</b>
<b><u>Expenditure on:</u></b>							
Raising funds	8	66,864	-	66,864	65,138	-	65,138
Charitable activities	7	228,237	40,373	268,610	230,945	55,490	286,435
<b>Total resources expended</b>		<b>295,101</b>	<b>40,373</b>	<b>335,474</b>	<b>296,083</b>	<b>55,490</b>	<b>351,573</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>158,968</b>	<b>(5,586)</b>	<b>153,382</b>	<b>(291)</b>	<b>(7,035)</b>	<b>(7,326)</b>
Fund balances at 1 April 2020		107,543	23,335	130,878	107,834	30,370	138,204
<b>Fund balances at 31 March 2021</b>		<b>266,511</b>	<b>17,749</b>	<b>284,260</b>	<b>107,543</b>	<b>23,335</b>	<b>130,878</b>

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

All income and expenditure derive from continuing activities.

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

# MEGAN BAKER HOUSE LTD

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Property, plant and equipment	13		17,674		7,914
<b>Current assets</b>					
Inventories	14	200		737	
Trade and other receivables	15	21,006		18,063	
Cash at bank and in hand		283,195		132,849	
		<u>304,401</u>		<u>151,649</u>	
<b>Current liabilities</b>	16	(37,815)		(28,685)	
Net current assets			266,586		122,964
<b>Total assets less current liabilities</b>			<u>284,260</u>		<u>130,878</u>
<b>Income funds</b>					
Restricted funds	18		17,749		23,335
Unrestricted funds			266,511		107,543
			<u>284,260</u>		<u>130,878</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

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

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

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

The financial statements were approved by the Trustees on 14 October 2021

Dr R C J Wileman  
Trustee

Company Registration No. 06052737

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Charity information

Megan Baker House Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Megan Baker House, Orchard Lane, Ledbury, Herefordshire, HR8 1BY, United Kingdom.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

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

##### 1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

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

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

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

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

Donated services and facilities are included at a valuation which is an estimate of the financial cost borne by the donor where such cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income from grants and government grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

#### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold improvements	10% straight line
Plant and equipment	25% straight line
Fixtures and fittings	15%, 25% or 33.3% straight line

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

#### 1.7 Impairment of non-current assets

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

#### 1.8 Inventories

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

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

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised at transaction price.

##### **Derecognition of financial liabilities**

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

#### 1.11 Taxation

The charity is exempt from corporation tax on its charitable activities.

#### 1.12 Employee benefits

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

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

#### 1.13 Retirement benefits

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

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 2 Critical accounting estimates and judgements

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

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

### 3 Participants fees

	Income 2021 £	Income 2020 £
Participants fees	36,170	75,517

### 4 Donations, legacies and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	16,204	-	16,204	22,707	-	22,707
Grants	394,643	34,787	429,430	178,954	48,455	227,409
Donated services	4,717	-	4,717	4,080	-	4,080
	<u>415,564</u>	<u>34,787</u>	<u>450,351</u>	<u>205,741</u>	<u>48,455</u>	<u>254,196</u>

#### Grants

Grants includes a total of £131,081 from government grants in respect of the Coronavirus Job Retention Scheme and local government grants due to Coronavirus.

#### Donated services

Donated services relate to professional fees, rent and premises expenses.

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 5 Fundraising events

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Fundraising events	2,304	14,391

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	31	143



# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 7 Charitable activities

	Expenditure 2021 £	Expenditure 2020 £
Staff costs	158,320	172,495
Telephone	1,482	1,960
Printing, postage & stationery	585	763
Sundries	38	305
Computer running costs	9,966	5,194
Office equipment & hire	764	832
Bank charges	311	293
Subscriptions	1,126	1,194
Insurance	7,797	6,983
Materials & resources	479	346
Staff training	584	1,764
Motor & travelling expenses	2,459	2,466
Refreshments	159	532
Uniforms	144	-
	<u>184,214</u>	<u>195,127</u>
Share of support costs (see note 9)	74,609	81,264
Share of governance costs (see note 9)	9,787	10,044
	<u>268,610</u>	<u>286,435</u>
<b>Analysis by fund</b>		
Unrestricted funds	228,237	230,945
Restricted funds	40,373	55,490
	<u>268,610</u>	<u>286,435</u>

### 8 Raising funds

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Fundraising and publicity</u>		
Staging fundraising events	36	3,057
Advertising, marketing & PR	2	3,442
Staff costs	66,826	58,639
	<u>66,864</u>	<u>65,138</u>
Fundraising and publicity		

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	43,615	-	43,615	45,601	-	45,601
Depreciation	7,342	-	7,342	4,661	-	4,661
Rent, rates & water	15,383	-	15,383	18,207	-	18,207
Light & heat	2,017	-	2,017	4,260	-	4,260
Repairs, upkeep & cleaning	6,252	-	6,252	8,535	-	8,535
Accountancy	-	9,120	9,120	-	6,544	6,544
Legal and professional	-	667	667	-	3,500	3,500
	<u>74,609</u>	<u>9,787</u>	<u>84,396</u>	<u>81,264</u>	<u>10,044</u>	<u>91,308</u>
Analysed between						
Charitable activities	<u>74,609</u>	<u>9,787</u>	<u>84,396</u>	<u>81,264</u>	<u>10,044</u>	<u>91,308</u>

Governance costs includes payments to the accountants of £978 (2020 - £978) for independent examination fees.

### 10 Trustees

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

None of the trustees received any expenses from the charity during the year.

### 11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>11</u>	<u>12</u>
<b>Employment costs</b>	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	254,894	268,108
Social security costs	7,310	2,094
Other pension costs	6,557	6,533
	<u>268,761</u>	<u>276,735</u>

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 11 Employees

(Continued)

No employees received emoluments in excess of £60,000.

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

### 12 Role played by general volunteers

Due to the specialist nature of the services provided by the charity, general volunteers are not used to help deliver those services. However, many volunteers do assist with the organization and running of the fundraising events that take place each year. In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the Accounts.

### 13 Property, plant and equipment

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 April 2020	79,466	12,047	24,474	115,987
Additions	-	311	16,791	17,102
Disposals	(79,466)	-	(20,073)	(99,539)
At 31 March 2021	-	12,358	21,192	33,550
<b>Depreciation and impairment</b>				
At 1 April 2020	79,466	6,025	22,583	108,074
Depreciation charged in the year	-	3,031	4,310	7,341
Eliminated in respect of disposals	(79,466)	-	(20,073)	(99,539)
At 31 March 2021	-	9,056	6,820	15,876
<b>Carrying amount</b>				
At 31 March 2021	-	3,302	14,372	17,674
At 31 March 2020	-	6,022	1,892	7,914

### 14 Inventories

	2021 £	2020 £
Raw materials and consumables	200	737

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 15 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	14,158	6,134
Prepayments and accrued income	6,848	11,929
	<u>21,006</u>	<u>18,063</u>

### 16 Current liabilities

	Notes	2021 £	2020 £
Deferred income	17	16,869	855
Trade payables		1,056	8,634
Other payables		11,932	9,498
Accruals		7,958	9,698
		<u>37,815</u>	<u>28,685</u>

### 17 Deferred income

	2021 £	2020 £
Arising from invoices raised in advance for participants fees	16,869	855

All deferred income is released in the next year.

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 April 2019	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 April 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 31 March 2021
	£	£	£	£	£	£	£	£	£
Children in Need	-	48,455	(48,455)	-	-	34,787	(34,787)	-	-
Reach Out	1	-	-	(1)	-	-	-	-	-
Free Radio Walk For Kids	13,432	-	-	(2,571)	10,861	-	-	(2,590)	8,271
Ledbury Facility Fund	16,937	-	(4,400)	(63)	12,474	-	(2,933)	(63)	9,478
	<u>30,370</u>	<u>48,455</u>	<u>(52,855)</u>	<u>(2,635)</u>	<u>23,335</u>	<u>34,787</u>	<u>(37,720)</u>	<u>(2,653)</u>	<u>17,749</u>

#### Children in Need

The funding received for this is restricted to contributing to the wages of the charities' conductive education specialists, which has been fully expended during the year.

#### Reach Out

The funding received for this in previous periods was from BIG Lottery. The remaining balance relates to office and computer equipment 50% purchased with this funding which is being depreciated on a reducing balance basis (15% on office equipment and 33% on computer equipment).

#### Free Radio Walk for Kids

The funding received for this in previous periods is restricted to providing equipment for educational purposes.

#### Ledbury Facility Fund

The funding for this has been used for an outreach centre in Ledbury at which we will deliver a variety of sessions in line with the Leominster services. Due to its location it is accessible to a wider area and we plan to build on this for the future.

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 19 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Property, plant and equipment	14,750	2,924	17,674	2,649	5,265	7,914
Current assets/(liabilities)	251,761	14,825	266,586	104,894	18,070	122,964
	<u>266,511</u>	<u>17,749</u>	<u>284,260</u>	<u>107,543</u>	<u>23,335</u>	<u>130,878</u>

### 20 Related party transactions

John Gough, the husband of Lee Gough (Chief Executive) is employed by the charity as the Operations Manager.