

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 2022**

**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 2022

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The trustees present their annual report and financial statements for the year ended 31 March 2022.

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, and in recent years increasing numbers of adults, 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 a wide range of neurological conditions 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

As recorded as an ambition in the FY21 report, we have succeeded in providing our services at a venue in Worcestershire. This brings our current number of venues to seven.

Although there were no more lockdowns, Covid-19 continued to affect services as clients and staff experienced further health issues which resulted in occasional absences throughout the year. In March 2021, 80% of clients had returned and over the subsequent months this increased to 100%. Further growth resulted in Megan Baker House (MBH) ending this reporting period showing an increase of 50% in client numbers by March 2022, which was a remarkable achievement during such challenging times. The age range of clients was 1-82 years and diagnoses included cerebral palsy, developmental coordination disorder, stroke, multiple sclerosis, acquired brain injury and Parkinson's. Clients without the benefit of a diagnosis were also helped as well as their families and carers.

We were engaged by a local school to provide conductive education (CE) training for their teachers and subsequently to deliver CE on a weekly basis to some of the students.

Project REACHOUT allowed the charity to deliver services in seven locations within Herefordshire, Worcestershire, Shropshire and Gloucestershire. In addition, virtual sessions, developed in FY20 in response to lockdowns, continued to be popular and attracted additional clients from around the UK (9% of total number of clients).

### Training

There is an ongoing shortage of CE staff across the entire sector as so few enter the profession and graduate each year in the UK or Hungary. MBH has received CE students from the National Institute of Conductive Education to complete work experience sessions under the guidance of MBH Head of Client Services. We are also developing our own graduates as two members of staff undertake the CE degree course remotely.

Other training takes place regularly to increase the knowledge and experience of our conductive assistants who play a vital role in the delivery of services. Everyone at MBH undertakes Personal & Professional development throughout their careers at the charity.

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

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### **Looking Outwards**

The CEO is a member of a consortium of Heads of conductive education centres from across England and Northern Ireland, which met virtually during the year to share “best practice”.

Our relationship with The University of Worcester (Nursing and Teaching faculties) continued although visits were restricted due to Covid-19 outbreaks throughout the period.

### **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
- Shaw Healthcare Ltd

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.

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Achievements and performance

#### Charitable activities

During the period of this report approximately 200 people have benefitted from our services and expertise.

MBH has several formal systems to measure progress and record outcomes on a continuous basis. The results are compiled into annual reports although constant, weekly dialogue takes place between clients and staff.

The organisation also actively seeks feedback from clients, which can be given anonymously, to shape the future design and delivery of services and management of client/MBH relationships.

#### Examples of client feedback include:

*"After a few sessions he was crawling short distances and within half a year he was taking his first steps."*

*"In short, the team have worked miracles."*

*"They have a true passion for helping children achieve their potential and look beyond the diagnoses and medical predictions to the child underneath."*

*"Since S started her weekly sessions, she has gone from strength to strength."*

*"From a parent's point of view, I would be lost without Megan Baker House."*

*"As parents we can also request certain goals for our children to work towards in the sessions."*

*"Amazingly, not long afterwards O learnt to walk independently."*

*"I believe the benefits of the on-line sessions are vast. It showed me as a parent what my child had been learning during the face-to-face sessions and now means I can continue these wherever possible during the day."*

*"The zoom sessions provided her with some form of normality and familiarity, giving her something to look forward to each week."*

*"F completely loves the remote sessions."*

*"The Conductive Educational Specialists have such a lovely rapport."*

*"He does not see the session as 'work', quite often all I can hear is laughing! "*

*"A very positive outcome of the pandemic is that weekly CE sessions have been delivered to J via video calls."*

*"Having remote sessions every week has been absolutely fantastic and we're sure the benefits will be long lasting... there has been a notable difference in daily life already."*

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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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 the best interests of our clients. 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 an "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 Gough, Chief Executive and John Gough, Operations Manager. John focuses on making bids to charitable trusts while Lee concentrates on building support from individuals and businesses. These activities are essential to maintaining both the charity's future and ensuring that it is embedded in the local and wider community of people who can benefit from what we provide. During the year there were only two events possible (held outdoors) and community fundraising was very difficult as Covid-19 was still casting its shadow over the world. We received approximately;

- £36.7k from donations (an increase of 226% on the previous year),
- £66.5k from client payments (an increase of 184% on the previous year),
- £10.2k from events (an increase of 443% on the previous year),
- £148k from grant-giving bodies (a **decrease** of 50% on the previous year), and finally
- just under £2.4k was from Corona Virus grant sources (less than 2% compared with the previous year).

Whilst these figures illustrate the difficult year in terms of overall income, it also shows how hard the charities staff have worked to increase non-grant sources of income throughout the year. This is no mean feat when considered in the light of increasing client numbers and the limited staff available to service their needs.

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Major Donors

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

- Millichope Foundation
- Lasslet's Charity
- NFU Mutual Charity
- Childwick Trust
- Kildare Trust
- Eveson Charitable Trust
- Worcestershire Community Foundation
- Julia & Hans Rausing Trust
- John Horniman's Children's Charity
- Croft Trust
- Herefordshire Community Foundation
- BBC Children in Need

### Financial review

The total income achieved in the year was £265.5k, which was £223.3k less than the previous year, and this year's expenditure of £333.2k (within £2.3k of the previous year), resulting in an overall deficit of just under £67.7k. Income was derived from four main sources; grants, participants fees, donations and events, each contributing 55.7%, 25.1%, 14.4% and 3.8% respectively with the remaining 1% coming from Corona Virus grants and interest income.

### 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. The target in previous years has been to achieve reserves equivalent to six months of operational costs. However, due to the unsettled period of the previous two years and the uncertainty around future funding, the charity decided to build up the reserve slightly to reflect the uncertainty it faced. By the end of the financial year MBH held approximately 8 months of operational costs. At 31 March 2022 MBH had funds available of £216.6k of which £10.6k were restricted and the remaining unrestricted.

It is recognised that reserves are higher than the target of 6 months, as stated above, and is therefore the intent of the Board to reduce these reserves during the next year (FY23) towards the target of 6 months. However, the rate of this decrease in reserves during the year will reflect the Board's aim to continue to provide a prudent safety net, depending on the wider financial and social environment, to ensure that our services, support to clients and their families are able to continue 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.

### Plans for future periods

During FY23 the charity will be recruiting additional staff to ensure that all venues and clients are adequately resourced and digital services can continue to develop.

### 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.



# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 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  
Dr D G Gleaves  
Ms J A Mears  
Mrs L Auger-Small

### 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. Twelve staff undertake the day to day running of the charity, five 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 met 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.

# MEGAN BAKER HOUSE LTD

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2022*

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

Dr R C J Wileman  
**Trustee**

22 September 2022

# 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 2022.

#### **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: 22 September 2022

# MEGAN BAKER HOUSE LTD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b>Income from:</b>							
Donations, legacies and grants	6	188,730	-	188,730	415,564	34,787	450,351
Participants fees	3	66,545	-	66,545	36,170	-	36,170
Fundraising events	4	10,209	-	10,209	2,304	-	2,304
Investments	5	51	-	51	31	-	31
<b>Total income</b>		<b>265,535</b>	<b>-</b>	<b>265,535</b>	<b>454,069</b>	<b>34,787</b>	<b>488,856</b>
<b>Expenditure on:</b>							
Raising funds	8	70,273	-	70,273	66,864	-	66,864
Charitable activities	7	255,815	7,118	262,933	228,237	40,373	268,610
<b>Total expenditure</b>		<b>326,088</b>	<b>7,118</b>	<b>333,206</b>	<b>295,101</b>	<b>40,373</b>	<b>335,474</b>
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		<b>(60,553)</b>	<b>(7,118)</b>	<b>(67,671)</b>	<b>158,968</b>	<b>(5,586)</b>	<b>153,382</b>
Fund balances at 1 April 2021		266,511	17,749	284,260	107,543	23,335	130,878
<b>Fund balances at 31 March 2022</b>		<b>205,958</b>	<b>10,631</b>	<b>216,589</b>	<b>266,511</b>	<b>17,749</b>	<b>284,260</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 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Property, plant and equipment	13		10,787		17,674
<b>Current assets</b>					
Inventories	14	200		200	
Trade and other receivables	15	37,020		21,006	
Cash at bank and in hand		220,369		283,195	
		<u>257,589</u>		<u>304,401</u>	
<b>Current liabilities</b>	16	(51,787)		(37,815)	
Net current assets			205,802		266,586
<b>Total assets less current liabilities</b>			<u>216,589</u>		<u>284,260</u>
<b>Income funds</b>					
Restricted funds	18		10,631		17,749
Unrestricted funds			205,958		266,511
			<u>216,589</u>		<u>284,260</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 2022.

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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 22 September 2022

Dr R C J Wileman  
Trustee

Company registration number 06052737

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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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.

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.

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

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:

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 the statement of financial activities.

#### 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 2022

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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 2022

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### 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

	<b>Income 2022 £</b>	<b>Income 2021 £</b>
Participants fees	66,545	36,170

### 4 Fundraising events

	<b>Unrestricted funds 2022 £</b>	<b>Unrestricted funds 2021 £</b>
Fundraising events	10,209	2,304

### 5 Investments

	<b>Unrestricted funds 2022 £</b>	<b>Unrestricted funds 2021 £</b>
Interest receivable	51	31

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 6 Donations, legacies and grants

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Donations and gifts	36,717	16,204	-	16,204
Grants	150,386	394,643	34,787	429,430
Donated services	1,627	4,717	-	4,717
	<u>188,730</u>	<u>415,564</u>	<u>34,787</u>	<u>450,351</u>

#### Grants

Grants includes a total of £2,386 (£131,081 in 2021) 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 advertising.

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 7 Charitable activities

	Expenditure 2022 £	Expenditure 2021 £
Staff costs	139,026	158,320
Telephone	1,955	1,482
Printing, postage & stationery	632	585
Sundries	13	38
Computer running costs	5,302	9,966
Office equipment & hire	-	764
Bank charges	266	311
Subscriptions	1,293	1,126
Insurance	6,487	7,797
Materials & resources	644	479
Staff training	1,287	584
Motor & travelling expenses	6,982	2,459
Refreshments	906	159
Uniforms	311	144
	<u>165,104</u>	<u>184,214</u>
Share of support costs (see note 9)	88,223	74,609
Share of governance costs (see note 9)	9,606	9,787
	<u>262,933</u>	<u>268,610</u>
<b>Analysis by fund</b>		
Unrestricted funds	255,815	228,237
Restricted funds	7,118	40,373
	<u>262,933</u>	<u>268,610</u>

### 8 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Fundraising and publicity</u>		
Staging fundraising events	1,745	36
Advertising, marketing & PR	3,836	2
Staff costs	64,692	66,826
	<u>70,273</u>	<u>66,864</u>
Fundraising and publicity		

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	59,424	-	59,424	43,615	-	43,615
Depreciation	9,285	-	9,285	7,342	-	7,342
Rent, rates & water	16,648	-	16,648	15,383	-	15,383
Light & heat	614	-	614	2,017	-	2,017
Repairs, upkeep & cleaning	2,252	-	2,252	6,252	-	6,252
Accountancy	-	8,795	8,795	-	9,120	9,120
Legal and professional	-	811	811	-	667	667
	<u>88,223</u>	<u>9,606</u>	<u>97,829</u>	<u>74,609</u>	<u>9,787</u>	<u>84,396</u>
Analysed between Charitable activities	<u>88,223</u>	<u>9,606</u>	<u>97,829</u>	<u>74,609</u>	<u>9,787</u>	<u>84,396</u>

Governance costs includes payments to the accountants of £1,020 (2021 - £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:

	2022 Number	2021 Number
	<u>12</u>	<u>11</u>
<b>Employment costs</b>	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	251,387	254,894
Social security costs	5,186	7,310
Other pension costs	6,569	6,557
	<u>263,142</u>	<u>268,761</u>

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

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 11 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

### 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

	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2021	12,358	21,192	33,550
Additions	369	2,030	2,399
	<u>12,727</u>	<u>23,222</u>	<u>35,949</u>
At 31 March 2022	12,727	23,222	35,949
<b>Depreciation and impairment</b>			
At 1 April 2021	9,056	6,820	15,876
Depreciation charged in the year	3,096	6,190	9,286
	<u>12,152</u>	<u>13,010</u>	<u>25,162</u>
At 31 March 2022	12,152	13,010	25,162
<b>Carrying amount</b>			
At 31 March 2022	<u>575</u>	<u>10,212</u>	<u>10,787</u>
At 31 March 2021	<u>3,302</u>	<u>14,372</u>	<u>17,674</u>

### 14 Inventories

	2022 £	2021 £
Raw materials and consumables	<u>200</u>	<u>200</u>

### 15 Trade and other receivables

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade receivables	29,197	14,158
Prepayments and accrued income	7,823	6,848
	<u>37,020</u>	<u>21,006</u>

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 16 Current liabilities

	Notes	2022 £	2021 £
Deferred income	17	32,683	16,869
Trade payables		3,018	1,056
Other payables		10,303	11,932
Accruals		5,783	7,958
		<u>51,787</u>	<u>37,815</u>

### 17 Deferred income

	2022 £	2021 £
Arising from invoices raised in advance for participants fees	32,683	16,869
	<u>32,683</u>	<u>16,869</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	32,683	16,869
	<u>32,683</u>	<u>16,869</u>
Movements in the year:		
Deferred income at 1 April 2021	16,869	855
Released from previous periods	(16,869)	(855)
Resources deferred in the year	32,683	16,869
	<u>32,683</u>	<u>16,869</u>
Deferred income at 31 March 2022	32,683	16,869
	<u>32,683</u>	<u>16,869</u>

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 2022

#### 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							
	Balance at 1 April 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Balance at 1 April 2021	Resources expended	Revaluations, gains and losses	Balance at 31 March 2022
	£	£	£	£	£	£	£	£
Children in Need	-	34,787	(34,787)	-	-	-	-	-
Free Radio Walk For Kids	10,861	-	-	(2,590)	8,271	-	(2,648)	5,623
Ledbury Facility Fund	12,474	-	(2,933)	(63)	9,478	(4,400)	(70)	5,008
	<u>23,335</u>	<u>34,787</u>	<u>(37,720)</u>	<u>(2,653)</u>	<u>17,749</u>	<u>(4,400)</u>	<u>(2,718)</u>	<u>10,631</u>

#### Children in Need

The funding received for this in previous years is restricted to contributing to the wages of the charities' conductive education specialists. No funding was received in 2021/22.

#### 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 received for this in previous periods is restricted to providing an outreach centre in Ledbury.

# MEGAN BAKER HOUSE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 19 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Property, plant and equipment	10,212	575	10,787	14,750	2,924	17,674
Current assets/(liabilities)	195,746	10,056	205,802	251,761	14,825	266,586
	<u>205,958</u>	<u>10,631</u>	<u>216,589</u>	<u>266,511</u>	<u>17,749</u>	<u>284,260</u>

### 20 Related party transactions

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