

WATERMOOR HOUSE RCH

England & Wales · Charity number 1168947

Details

Status	Registered
Legal form	Charitable company
Company number	09327637
Registered	2016-08-30
Register	View on the Charity Commission register

Contact

Address	Watermoor House Watermoor Road Cirencester GL7 1JR
Phone	01285654864
Email	enquiries@watermoorhouse.org
Website	www.watermoorhouse.org

Activities

Objects: THE RELIEF OF THE NEEDS OF ELDERLY PEOPLE BY THE PROVISION OF SUCH HOUSING, CARE AND AMENITIES AS APPROPRIATE FOR THEIR CONDITIONS OF LIFE.

Activities: THE PROVISION OF HOUSING AND ANY ASSOCIATED AMENITIES FOR PERSONS IN NEED UPON TERMS APPROPRIATE TO THEIR MEANS AND PROVIDING FOR OLDER PEOPLE IN NEED OF HOUSING AND ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO SUIT THEIR DISABILITIES AND REQUIREMENTS.

Classification

- **How:** Provides Services
- **What:** General Charitable Purposes, Disability
- **Who:** Elderly/old People, People With Disabilities

Geography

- Gloucestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,535,032	£1,742,477	£603,531	48
2023-08-31	£1,333,007	£1,636,608	£812,516	48
2022-08-31	£1,299,444	£1,369,946	£1,116,117	50
2021-08-31	£1,563,987	£1,386,340	£1,121,577	50
2020-08-31	£1,504,931	£1,430,407	£943,930	50

Trustees

Name	Role	Appointed
Dr SUSAN RUTH OWEN	Chair	2014-11-26
Dr KATE BADCOCK		2016-09-26
JOHN LAMUS		2016-09-26
Jillian Carter		2020-04-20
THE EARL ALLEN BATHURST		2016-09-26

WATERMOOR HOUSE RCH

England & Wales - Charity number 1168947

Accounts

Charity registration number 1168947 (England and Wales)

Company registration number 09327637

WATERMOOR HOUSE R C H
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

WATERMOOR HOUSE R C H

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr K Badcock Earl A C B Bathurst Mrs J Carter Dr S R Owen Mr J W Lamus
Charity number (England and Wales)	1168947
Company number	09327637
Registered office	Watermoor House Watermoor Road Cirencester Gloucestershire United Kingdom GL7 1JR
Auditor	BK Plus Audit Limited 6 Manor Park Business Centre MacKenzie Way Swindon Village Cheltenham Gloucestershire United Kingdom GL51 9TX

WATERMOOR HOUSE R C H

CONTENTS

	Page
Chairman's statement	1
Trustees report	2 - 7
Independent auditor's report	8 - 10
Statement of financial activities	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14 - 25

WATERMOOR HOUSE R C H

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

This has been a turbulent year for Watermoor House which none-the-less finished on an optimistic note. Recruitment of good quality staff remained difficult, as the labour pool for care continued to be limited.

The Board made the difficult decision to limit occupancy while we tried to recruit staff but as we successfully built up staff numbers, we then had an imbalance of staff to occupancy levels, which caused a strain on our finances. We were forced to draw on reserves while we tried to rebuild occupancy. This put further pressure on our plans to maintain and improve the Home's buildings and facilities.

Despite these operational issues, Watermoor House staff continued to deliver high quality care to our residents throughout the year and there were many high points. Staff embarked upon training to achieve Gold Standard accreditation for our end of life care. Watermoor House has provided outstanding end of life care for many years but this has been regarded merely part of our range of services without any formal acknowledgement. This year, staff undertook the formal training and we expect to achieve the official accreditation next year.

Activities provision continued to be another highlight in our ongoing care provision. We ramped them up with two activities coordinators delivering a wider variety of daily activities, plus involvement from community volunteers and providers for activities ranging from Mindsong singalongs and arts and crafts sessions to Holy Communion delivered in-house monthly by Board member Reverend Light. Our own activities coordinators led the ever popular fun of Carnival Games, which help to build co-ordination, weekly topical discussion groups, and daily games sessions. In the warmer weather, cream teas were offered in our Summer House for residents and their visitors and trips were made to local amenities, like the Willow canal boat. Summer saw two big celebrations, one for the commemoration of the 80th anniversary of D-Day and the other our annual summer fete, when we welcome friends and families and the local community into Watermoor House and its beautiful gardens for fun with barbecue and a variety of stalls and family-friendly activities. Planning for the Summer Fete this year was overseen by our newly formed fundraising committee which is comprised of residents, staff, Board members and local volunteers.

Towards the end of the year we found ourselves once again recruiting a new Home Manager but are delighted to have attracted a very experienced, sure-handed new manager who joined Watermoor House just after the end of the financial year. Her experience has been an asset to Watermoor House as we embrace the lessons from this past year to build a stronger team and recover from a very difficult year.

Finally, we wish to thank residents and their loved ones for all the support they have given us this past year and we look forward with optimism for the coming year with them.



DR S R Owen - Chair

Date: 19 May 2025

WATERMOOR HOUSE R C H

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees present their annual report and financial statements for the year ended 31 August 2024.

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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

The Company's charitable objectives are to provide care for older people in Gloucestershire as stated in our governing document, "the relief of the needs of elderly people by the provision of such housing, care and amenities as appropriate for their conditions of life".

It currently operates a residential home providing a mix of permanent accommodation and respite care for up to 39 elderly residents in appealing and safe surroundings with constant care and attention.

Our short term aim is to provide most of the requirements to maximise the quality of life for our residents at an affordable cost. Our longer term goal is to enable us to continue doing so for others like them in the future.

Our strategy to achieve this is to operate efficiently at a viable level of occupancy with well trained staff who carry out their duties in a professional yet friendly manner. Our guiding principle is that our Home is our residents' home.

Watermoor House currently provides accommodation, meals and domestic services, personal care, communal facilities, a wide range of activities and other services to assist residents' daily living in a caring and personal atmosphere. We arrange visits to and from healthcare providers, we make no additional charge for transporting and accompanying residents to hospital and doctors' visits. We provide daily activities, outings for residents and arrangements for hairdressing and chiropody in the Home for residents.

In addition to ensuring the smooth running of the Home, the Trustees remain aware of the longer term changes in the care industry and the need to take appropriate action to remain efficient and continue to provide care at an affordable cost. Residents tend to come into care later in life, in a more frail condition requiring more intense support. The effects of the pandemic continue to affect our financial performance. To date, no Watermoor House resident has been seriously ill, required hospitalisation or passed away from Covid.

The Company is a registered charity. Governance and strategic leadership are provided by the Board of Directors, all of whom are trustees and provide their services as unpaid volunteers.

Public benefit

In planning the charitable company's activities, the trustees keep in mind the Charity Commission's guidance on public benefit. Access to the Home is available to all whether it be as one of our permanent residents or respite clients or, when infection controls allow, as a visitor on an activity or open day. The focus of the charity's activities during the year, which explains the delivery by the charity of public benefit, is set out below under "achievements and performance".

WATERMOOR HOUSE R C H

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Achievements and performance

Significant activities and achievements against objectives

Watermoor House RCH subsidises the fees for a significant proportion of residents who are funded by Social Services; well over 30% of residents throughout this year. Additionally, with no discrimination between full fee-paying clients and others, additional special needs such as assisted activities, accompanied transport to medical appointments, special diets and assisted feeding are provided at no charge regardless of fee status.

We have continued to provide a varied and busy activities schedule to meet the needs and interests of all our residents well beyond the levels required for adequate care at no charge regardless of fee status. Our dedicated, qualified activities coordinators, together with other members of staff, identify activities to meet the different interests of our residents. Throughout this year they have worked with our external activities partners and volunteers from the community to provide enrichment, stimulation, social interaction and much joy and laughter amongst residents.

Our regular activities have ranged from our adapted yet lively in-house physical activity sessions to suit all ability levels, to weekly topical discussion afternoons, films screenings and quiz sessions; from the weekly board games morning to Zoolab visits bringing exotic but tame animals for residents to hold and interact with, including snakes and penguins. Less exotic but still sociable and stimulating are card games and craft sessions, through to interactive musical entertainments and sing-along sessions. Our special celebrations, activities and meals to mark seasonal holidays have been highlights throughout this year, especially our commemoration of the 80th anniversary of D-Day with giant poppies, hand-crafted by residents in volunteer-led craft sessions.

Other regular activities include scrapbook making recalling old memories and recording new ones, hands-on help to refurbish our sensory garden, sing-alongs with MindSong, creating Christmas decorations for residents' rooms and Christmas table decorations.

Staff continue to provide 1-to-1 in-room activity sessions for those who cannot or chose not to join group activities. Each resident's birthday is celebrated and we enjoyed several 100th – and more than 100th – birthday parties this year.

The Board monitors performance across all the Home's endeavours, firstly through monthly House and Business reports to set formats. These routinely monitor, report and track occupancy, enquiries, staff levels, sickness and agency usage, training, any complaints or reportable incidents, quality audits, financial performance, business and marketing activity.

Additionally, we carry out an annual staff survey and a survey of residents' satisfaction as well as a separate survey on food provision. The management team hold meetings with residents to obtain their views on an ongoing basis and the Home's management conduct both resident meetings open to all residents and one-to-one sessions with residents individually.

Our financial performance is highly geared to the level of room occupancy. We monitor this as described above and this provides us with an ongoing measure of marketing performance which in a time of natural change in our permanent residents is a measure of the effectiveness of our marketing strategy. Occupancy levels have remained low in the current year and this has impacted negatively on our overall financial performance.

WATERMOOR HOUSE R C H

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

The year started with an awareness that the deficit incurred in the previous year was not sustainable and an acknowledgement that occupancy needed to be brought back to pre-pandemic levels in order to achieve annual surpluses.

The recruitment of additional care staff was seen as essential to maintain levels of care as occupancy increased. In addition, the Home Manager was given extra support and eventually one to one monitoring.

However, recruitment was difficult, occupancy remained stubbornly low and the monthly deficits continued eventually to the point where the Company required a bridging loan at the end of each month. The Business Manager resigned and a more experienced replacement was recruited, but still occupancy remained stubbornly low. With pressure mounting the Home Manager struggled to cope with the situation, resigned and left the Company's employ in June 2024.

We were fortunate in being able to recruit a Home Manager with a good track record of successfully running an independent care home of a similar size, but her notice commitment meant she was unable to commence work until September 2024.

The combination of the two new members of the Management Team working closely together has finally resulted in recruitment targets being met and occupancy levels moving towards those enjoyed prior to the pandemic. The Home now has a higher number of state funded residents but the Home Manager has been successful in obtaining higher levels of funding as a result of correctly identifying resident needs against the council fee structure.

The accumulated deficits of recent years will take some time to clear but it is anticipated that the requirement for loans will be eliminated by the end of the financial year 2025/26.

The Trustees are immensely grateful to the benefactor who has agreed to provide the loans required through an interest free agreement.

Going concern

Despite the difficulties of recent years, the trustees are confident that the Company now turned the corner, has adequate plans and staff in place to justify continuing as a going concern. (see below)

Financial results since the Covid crisis and a failure to increase occupancy to pre Covid levels were causing considerable concern for the future viability of the Company. Recognising this and concerns over the management of the Home, trustees recruited an experienced manager and set measurable objectives for the future:

- Increase occupancy to at least pre Covid levels
- Achieve month on month financial surpluses
- Return the Home to an overall CQC rating of 'Good'

The new manager, after a short period of familiarisation and assessment of the issues, commenced working towards achieving the objectives:

- Occupancy has since increased from 26 to 33 residents – just 1 short of pre Covid levels
- The Home Manager has, through carefully identifying residents' needs, successfully accessed additional funding for suitable GCC funded residents
- With increased occupancy and additional funding for some GCC residents, financial resilience is steadily improving and in the latest management information for financial year 2025, the Home has recorded a financial surplus for the last four months
- Work on achieving a 'Good' rating from the CQC has been progressing alongside the above improvements, but formal inspection by the CQC to review the rating could not be carried out until after the CQC had officially processed the application for registration of the new manager. This was finalised at the end of March 2025 and we await CQC's decision on when an inspection will be carried out
- During this period of change and recovery financial stability has been assured by securing the provision of an interest free loan and, as required, interest free bridging loans.

WATERMOOR HOUSE R C H

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Reserves policy

The Trustees consider that they should aim for free reserves of £200,000 as a minimum. However, in the financial year under review, we have needed to draw heavily on our reserves, such that our free reserves dipped significantly below this level. As referred to elsewhere in this report, occupancy rates are a key driver for our financial performance and their being much lower than our targeted occupancy in 2024/25 led us to draw on our reserves.

Following a successful recruitment strategy, vacancies have been filled to the extent that they now reflect normal staff turnover for the business and we have been able to focus on increasing occupancy. The Home Manager's experience and ability to access higher levels of funding for GCC residents with additional needs and also enhanced contact with other commissioning bodies has enabled the charity to sustain higher levels of council funded residents with a range of care requirements. Enhanced flexibility in length of stays with respite care together with seasonal incentives has resulted in a number of respite residents becoming permanent and focused advertising, coupled with word of mouth recommendations has completed the package, resulting in a steady increase in levels of occupancy.

At the year end, total funds were £602,448 (2023: £812,516). The Trustees aim to rebuild reserves from surpluses that we will accrue as we rebuild occupancy in 2025/26.

The current reserves policy is unchanged and will be reviewed once loans have been repaid and the charity is once again in a position to invest for the future.

Investment policy

Under the Articles of Association, the Trustees have the power to invest in any way they think fit. The Trustees have considered the most appropriate policy for investing funds and have found that a balanced portfolio of specialised unit trusts, designed for the charity sector, meets their requirements to generate both income and capital growth. The Trustees monitor returns and market changes but still consider the investment portfolio to be the most appropriate strategy for investing the Company's reserves.

Plans for future periods

Goals for the coming year are to:

- Increase occupancy to at least immediately pre-Covid levels
- Eradicate monthly financial deficits and move to regular supplements
- Regain the Home's GOOD rating by the CQC
- To channel surpluses into investment in the building, equipment and rebuilding reserves, all of which will help secure the future of Watermoor House.

Structure, governance and management

The Charity is a company limited by guarantee, having no share capital. It is established under a Memorandum of Association, which sets out the objects and powers of the charitable company, and is governed under its Articles of Association, as amended by Special Resolutions dated 20 April 2016 and 11 August 2016 respectively.

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 K Badcock

Earl A C B Bathurst

Mrs J Carter

Revd P Light

(Retired 22 January 2025)

Dr S R Owen

Mr J W Lamus

Recruitment and appointment of trustees

New Trustees with appropriate life and professional skills are appointed by the members to strengthen the Board for the future good of the Company. Every new Trustee must have an advanced Disclosure and Barring Service check carried out before taking up appointment and undergoes an induction process.

WATERMOOR HOUSE R C H

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Organisational structure

The charity is administered by the Board of Trustees all of whom give their time for no financial reward. There are no standing subcommittees but working committees of Trustees and Officers are appointed as the Board deems necessary on an ad hoc basis. A Home Manager is appointed by the Trustees to manage the day to day operations of the Company. This is supported by a Business and Marketing Manager. To facilitate effective operations they have delegated authority within terms of delegation approved by the Trustees for operational matters including finance, employment, purchasing, compliance with regulations and dealing with residents' needs and requirements.

Decisions concerning the pay and remuneration of key management personnel are made by the Board in conjunction with HR consultants by reference to the salaries paid by other similar local organisations. All pay rates are reviewed annually.

Induction and training of trustees

New Trustees undergo a formal process for induction. It aims to familiarise the new member with their legal obligations as well as the workings of Watermoor House and its personnel.

They meet one-to-one with the Chair, the other Board members and senior management and are taken on a tour of Watermoor House. They receive a pack of written materials including recent Board papers, the last Annual Report and documents from the CQC and Charity Commission. Through the induction process new trustees are informed of the general operational activities of the Home, financial reporting and the regulatory framework in which the Company operates.

The Company's Board members are updated on the legal requirements for Trustees on an ongoing basis by the Company's Officers.

Other matters

Risk Management

The charitable company carries out a formal annual risk review procedure and updates its continuity plan in which major risks are identified and brought to the attention of the Board, which then decided on the appropriate course of action to avoid the risk, share or transfer it, mitigate or exploit it.

These procedures have highlighted risks that might arise through non-compliance in the ever-changing regulatory regime, risks to residents' safety and financial risks. The Board has taken appropriate action in response to them.

With the added help of fundraising, it is the intention to create sufficient reserves in the future to further mitigate financial risks and this policy is reviewed regularly at Board meetings by reference to current management accounts. The company has been drawing on its reserves in the current year but expects to turn to rebuilding a surplus as occupancy is rebuilt in 2025-2026. We will then continue to rebuild our free reserves in the event of adverse conditions and ensure additional long-term resilience for the Company.

Regular statutory inspections for Health and Safety, Food and Hygiene, Fire and by the Care Quality Commission are reported through the Officers to the Board and assist in highlighting operational risks.

Statement of Trustees responsibilities

The Trustees, who are also the directors of Watermoor House R C H for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

WATERMOOR HOUSE R C H

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that BK Plus Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.



Dr S R Owen

Trustee

19 May 2025

WATERMOOR HOUSE R C H

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WATERMOOR HOUSE R C H

Opinion

We have audited the financial statements of Watermoor House R C H (the 'Charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to the Statement of Financial Activities on page 11 which records a deficit of £208,985 for the year to 31 August 2024 and to the Statement of Financial Position on page 12 which records net current liabilities of £237,377. The charitable company has used its brought forward reserves to fund this deficit, as noted by the trustees in the accounting policies on page 14 and in their report. The trustees have been obliged to obtain loan funding both for working capital and, at times, on a bridging basis across the year under report.

The trustees have acknowledged the financial position and provided their explanation of the causes of the deficit and have outlined the steps that have been taken, and are being taken, to improve the company's financial position. They conclude that the charity can continue to operate as a going concern.

The existence of the ongoing uncertainties following the covid pandemic and recent economic challenges outside of the trustees' control, including the specific challenge of increasing occupancy rates to the point that the charitable company returns to regular surplus and positive cashflow indicates that a material uncertainty exists that may cast doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in this regard.

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.

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

WATERMOOR HOUSE R C H

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WATERMOOR HOUSE R C H

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees report.

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

WATERMOOR HOUSE R C H

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WATERMOOR HOUSE R C H

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a high risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the business;
- understanding how the company complies with its regulatory framework by making enquiries of management;
- considering the culture inherent in the company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

We assessed the susceptibility of the company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

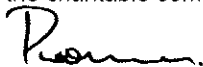
- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a small company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the company. These do not necessarily have a direct influence on the financial statements but might affect the company's ability to operate.

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

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)

For and on behalf of BK Plus Audit Limited, Statutory Auditor
Chartered Certified Accountants
6 Manor Park Business Centre
MacKenzie Way
Swindon Village
Cheltenham
Gloucestershire
GL51 9TX

21 May 2025

WATERMOOR HOUSE R C H

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		funds	funds		funds	funds	
		2024	2024	2024	2023	2023	2023
Notes		£	£	£	£	£	£
Income from:							
Donations and legacies	3	3,046	-	3,046	3,992	-	3,992
Charitable activities	4	1,528,785	-	1,528,785	1,327,316	-	1,327,316
Investments	5	3,201	-	3,201	1,699	-	1,699
Total income		1,535,032	-	1,535,032	1,333,007	-	1,333,007
Expenditure on:							
Charitable activities	6	1,742,477	-	1,742,477	1,636,608	-	1,636,608
Total expenditure		1,742,477	-	1,742,477	1,636,608	-	1,636,608
Net gains/(losses) on investments	11	(1,540)	-	(1,540)	-	-	-
Net expenditure and movement in funds		(208,985)	-	(208,985)	(303,601)	-	(303,601)
Reconciliation of funds:							
Fund balances at 1 September 2023		808,452	4,064	812,516	1,112,053	4,064	1,116,117
Fund balances at 31 August 2024		599,467	4,064	603,531	808,452	4,064	812,516

The notes on pages 14 to 25 form part of these financial statements.

WATERMOOR HOUSE R C H

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	12		785,571		789,325
Investments	13		-		15,009
			<u>785,571</u>		<u>804,334</u>
Current assets					
Stocks	14	3,128		6,949	
Debtors	15	44,704		65,168	
Cash at bank and in hand		7,505		85,738	
		<u>55,337</u>		<u>157,855</u>	
Creditors: amounts falling due within one year	16	<u>(237,377)</u>		<u>(149,673)</u>	
Net current (liabilities)/assets			<u>(182,040)</u>		<u>8,182</u>
Total assets less current liabilities			<u>603,531</u>		<u>812,516</u>
The funds of the Charity					
Restricted income funds	18		4,064		4,064
Unrestricted funds	19		599,467		808,452
			<u>603,531</u>		<u>812,516</u>

The notes on pages 14 to 25 form part of these financial statements.

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 19 May 2025



Dr S R Owen
Trustee

Company registration number 09327637 (England and Wales)

WATERMOOR HOUSE R C H

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(86,803)		(205,800)
Investing activities					
Purchase of tangible fixed assets		(8,100)		(30,831)	
Proceeds from disposal of tangible fixed assets		-		14,236	
Proceeds from disposal of investments		13,469		-	
Investment income received		3,201		1,699	
Net cash generated from/(used in) investing activities			8,570		(14,896)
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(78,233)		(220,696)
Cash and cash equivalents at beginning of year			85,738		306,434
Cash and cash equivalents at end of year			7,505		85,738

The notes on pages 14 to 25 form part of these financial statements.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

Watermoor House R C H is a private company limited by guarantee incorporated in England and Wales. The registered office is Watermoor House, Watermoor Road, Cirencester, Gloucestershire, GL7 1JR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The Charity is a Public Benefit Entity as defined by FRS 102.

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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year income increased by £202K. Of this increase, £94K was from private residents and was mainly from fee increases and £108K was from Council funded residents of which there was a small increase in rates paid by local authorities, but primarily this was due to additional residents.

The difficulty in recruiting staff (employee numbers were 46 for 2024 and 50 for 2023), which severely impacted our ability to increase occupancy, also contributed significantly to cost increases being restricted to £105K.

In 2025, the significant increase in the National Living Wage, the NI rate increase and threshold reduction will put pressure on finances. However, resolution of staff shortages, increased occupancy and obtaining fees more appropriate to the level of care required for the local authority-funded residents have resulted in consecutive surpluses during the first four months of 2025. A surplus of circa £56K is expected for the year 2025/26.

We are confident that our underlying operational model for resident fees, cost management and ensuring resident welfare (always at the heart of what we do) will stand us in good stead as we go forward, despite the ongoing uncertainties arising from the post-Covid era and global economic factors outside the charity's control.

The trustees have therefore prepared the financial statements on a going concern basis.

1.3 Charitable funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.4 Income

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

Residential care

Invoices are raised in advance on the 1st of the month for every resident's monthly care fees. Income is recognised in the financial statements at the point of invoicing.

Donations and Legacies

Donations and legacies are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. In accordance with this policy, legacies are included when the charity is advised by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified.

Investment income

Investment income is included in the year in which it is receivable.

Other income

Other income comprises rental income and grants.

Rental income, from the letting of the non-investment property, is payable in advance per calendar month and is recognised in the period to which it relates. Although "The Lodge" is let on a short term lease for rental income, the primary purpose of the property is to support the charitable activities of the charitable company and the intention is that it is kept for a supported living house. The Lodge is located within the grounds of Watermoor House and has no separate legal title to that of Watermoor House filed with the Land Registry.

Grants, including Government grants, are recognised when the charity is entitled to receipt. Where entitlement occurs before the income is received, the income is accrued.

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 Tangible fixed assets

Tangible fixed assets 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:

Freehold land and buildings	Not depreciated
Fixtures and fittings	10% on reducing balance
Minibus	25% on reducing balance

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Depreciation has not been provided on the freehold buildings as the Trustees consider that the residual value will exceed the book value. No depreciation is provided on freehold land.

Tangible fixed assets are capitalised when they are initially acquired by the charity. Subsequent expenditure on tangible fixed assets is written off to the Statement of Financial Activities unless it replaces or restores a specifically identified component within the fixed asset or enhances the asset. Assets individually costing under £1,000 are written off to the Statement of Financial Activities.

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 Fixed asset investments

Investments held as fixed assets are revalued at mid market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

1.8 Stocks

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

1.9 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt.

1.10 Taxation

The charity benefits from rates relief and is exempt from corporation tax on its charitable activities. It is not, however, exempt from VAT and irrecoverable VAT is included in the cost of those items to which it relates.

1.11 Retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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.

Depreciation

Write down of the value of tangible fixed assets over their expected useful lives.

3 Income from donations and legacies

	Unrestricted	Unrestricted
	funds	funds
	2024	2023
	£	£
Donations and gifts	3,046	1,548
Grants	-	2,444
	<u>3,046</u>	<u>3,992</u>

4 Income from charitable activities

	Unrestricted	Unrestricted
	funds	funds
	2024	2023
	£	£
Charitable activities		
Received from residents	1,038,882	945,295
Received from Local Authority	480,896	373,446
Income from Lodge	9,007	8,575
	<u>1,528,785</u>	<u>1,327,316</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from unlisted investments	-	230
Interest receivable	3,201	1,469
	<u>3,201</u>	<u>1,699</u>

6 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	1,183,414	1,114,607
Depreciation and impairment	11,853	11,732
Subscriptions and registration fees	5,893	5,875
Light and heat	114,357	126,187
Motor vehicle expenses	4,012	2,926
Post, stationery, advertising and sundries	114,350	95,532
Legal and professional fees	1,272	1,671
Equipment rental and maintenance	42,345	37,753
Other house expenses	38,795	37,225
Food	93,385	103,311
Property maintenance & repairs	39,373	41,129
Other property expenses	26,008	15,894
Accountancy and payroll	3,750	3,978
Lodge costs	1,441	1,860
Agency staff costs	50,929	12,392
Loss on sale of assets	-	14,236
	<u>1,731,177</u>	<u>1,626,308</u>
Share of support and governance costs (see note 7)		
Governance	11,300	10,300
	<u>1,742,477</u>	<u>1,636,608</u>
Analysis by fund		
Unrestricted funds	<u>1,742,477</u>	<u>1,636,608</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7	Support costs allocated to activities	2024 £	2023 £
	Auditors remuneration	11,300	10,300
	Analysed between:		
	Charitable activities	11,300	10,300
8	Net movement in funds	2024 £	2023 £
	The net movement in funds is stated after charging/(crediting):		
	Fees payable to the charity's auditor:		
	- for the audit of the charity's financial statements	9,000	8,150
	- for other financial services	2,300	2,150
	Depreciation of owned tangible fixed assets	11,853	11,732
9	Trustees		
	None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.		
	Trustees' expenses		
	There were no trustees' expenses paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.		
10	Employees		
	The average monthly number of employees during the year was:		
		2024 Number	2023 Number
	Administration	8	5
	Support	38	45
	Total	46	50
	Employment costs	2024 £	2023 £
	Wages and salaries	1,075,495	1,022,838
	Social security costs	85,139	74,101
	Other pension costs	22,780	17,668
		1,183,414	1,114,607

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

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Employees

(Continued)

Remuneration of key management personnel

The key management personnel of the Charity comprise the Home Manager, Deputy Home Manager, Business Manager, Finance Officer and Administrator. The total cost to the Charity of the key management personnel was £167,187 (2023: £166,260).

11 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Sale of investments	(1,540)	-

12 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Minibus £	Total £
Cost				
At 1 September 2023	689,416	213,167	24,995	927,578
Additions	-	8,100	-	8,100
At 31 August 2024	689,416	221,267	24,995	935,678
Depreciation and impairment				
At 1 September 2023	-	123,803	14,451	138,254
Depreciation charged in the year	-	9,218	2,635	11,853
At 31 August 2024	-	133,021	17,086	150,107
Carrying amount				
At 31 August 2024	689,416	88,246	7,909	785,571
At 31 August 2023	689,415	89,366	10,544	789,325

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2023	15,009
Valuation changes	(1,540)
Disposals	(13,469)
At 31 August 2024	-
Carrying amount	
At 31 August 2024	-
At 31 August 2023	15,009

14 Stocks

	2024 £	2023 £
Kitchen and housekeeping stocks	3,128	6,949

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	19,077	39,778
Other debtors	-	4,478
Prepayments and accrued income	25,627	20,912
	44,704	65,168

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	51,950	43,597
Trade creditors	85,397	48,486
Other creditors	73,830	32,222
Accruals and deferred income	26,200	25,368
	237,377	149,673

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	22,780	17,668

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund. Contributions payable to the fund at the balance sheet date were £5,214 (2023: £3,885).

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2023	At 31 August 2024
	£	£
Dining room renovations	4,064	4,064
Previous year:		
	At 1 September 2022	At 31 August 2023
	£	£
Dining room renovations	4,064	4,064

Purpose of restricted fund - Dining room renovations

Grant awarded by Mrs D K Winstone Trust to provide funding for the renovation of the residents dining room and the patio garden adjacent to the dining room.

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023	Incoming resources	Resources expended	Gains and losses	At 31 August 2024
	£	£	£	£	£
General funds	808,452	1,535,032	(1,742,477)	(1,540)	599,467

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Unrestricted funds (Continued)

Previous year:	At 1 September 2022	Incoming resources	Resources expended	Gains and losses	At 31 August 2023
	£	£	£	£	£
General funds	1,112,053	1,333,007	(1,636,608)	-	808,452

20 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 August 2024:			
Tangible assets	785,571	-	785,571
Current assets/(liabilities)	(186,104)	4,064	(182,040)
	<u>599,467</u>	<u>4,064</u>	<u>603,531</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 August 2023:			
Tangible assets	789,325	-	789,325
Investments	15,009	-	15,009
Current assets/(liabilities)	4,118	4,064	8,182
	<u>808,452</u>	<u>4,064</u>	<u>812,516</u>

21 Contingent liabilities

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the Trustees no such liability exists at the year end.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

22 Operating lease commitments

Lessee

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	9,557	9,557
Between two and five years	31,783	41,256
In over five years	-	2,983
	<u>41,340</u>	<u>53,796</u>

23 Related party transactions

Transactions with related parties

Included in other creditors is a balance owing to one of the directors and a trustee of the charitable company (£60,000). The terms of the loan are that no interest is payable, it is unsecured and is repayable on demand.

The purpose of the loans provided are to provide bridging finance to support working capital needs towards the end of the month. This allows payments to be made at the end of the month to clear liabilities until income is received from residents at the start of the next month.

24 Cash absorbed by operations	2024	2023
	£	£
Deficit for the year	(208,985)	(303,601)
Adjustments for:		
Investment income recognised in statement of financial activities	(3,201)	(1,699)
Loss on disposal of investments	1,540	-
Depreciation and impairment of tangible fixed assets	11,853	11,732
Movements in working capital:		
Decrease/(increase) in stocks	3,821	(1,121)
Decrease/(increase) in debtors	20,464	(14,417)
Increase in creditors	87,705	103,306
Cash absorbed by operations	<u>(86,803)</u>	<u>(205,800)</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

25 Analysis of changes in net funds

The Charity had no material debt during the year.

WATERMOOR HOUSE RCH

England & Wales - Charity number 1168947

Accounts

REGISTERED COMPANY NUMBER: 09327637 (England and Wales)
REGISTERED CHARITY NUMBER: 1168947

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023
FOR
WATERMOOR HOUSE R C H

Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

WATERMOOR HOUSE R C H

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

	Page
Reference and Administrative Details	1
Chair's Report	2
Report of the Trustees	3 to 7
Report of the Independent Auditor	8 to 11
Statement of Financial Activities	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 26

WATERMOOR HOUSE R C H

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

TRUSTEES	Dr K Badcock J W Lamus (resigned 25.9.23) Dr S R Owen Earl A C B Bathurst Revd P Light Mrs J Carter
REGISTERED OFFICE	Watermoor House Watermoor Road Cirencester Gloucestershire GL7 1JR
REGISTERED COMPANY NUMBER	09327637 (England and Wales)
REGISTERED CHARITY NUMBER	1168947
AUDITOR	Andorran Limited (Statutory Auditor) 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX
BANKERS	Barclays Bank Plc 28 Regent Street Swindon SN1 1QB

WATERMOOR HOUSE R C H

CHAIR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Although Covid restrictions were withdrawn from the general population in this year, the long shadow of its effect continued to impact Watermoor House throughout the year. Despite this, we remain proud of our Covid-19 record in that we still have not had any residents hospitalised or passing away due to Covid-19.

Like many in our industry and others, Watermoor House struggled to recruit and maintain adequate staff numbers required to deliver the quality of care for our full capacity of residents. Therefore, we took the difficult decision for much of the year to restrict occupancy levels to match our reduced staff numbers. This has put considerable strain on our finances and we have had to dip heavily into our reserve funds. Sustained efforts from our management team have managed to recruit adequate staff levels and we are now working to build occupancy levels to attain full capacity.

We are very much aware that while Covid had receded as an everyday threat, we have continued to face periodic waves of Covid particularly amongst staff. Regulation required re-introduction of short periods of renewed restrictions each time two or more cases emerged within the Home, straining our staff and resources and imposing unpleasant restrictions on residents.

The year has seen extensive changeover of staff and managers at all levels in Watermoor House. We welcomed a new Home Manager and Deputy Home Manager who continue to work with the team to enhance standards of care whilst maintaining the special home from home atmosphere that has long characterised Watermoor House for its residents.

New electronic care record and management systems and enhanced Wi-Fi systems have been introduced which, we believe, will help to deliver even greater person-centred care, improved efficiency and safety in the delivery of medications and, by enabling mobile recording of care delivery and medication throughout the home, will increase interactivity with residents in the delivery of their care.

While we have had to manage our resources carefully under the restricted financial and staff circumstances, we have improved the facilities provided by introducing a wet room on each floor. This was implemented following suggestions from staff surveys and, we have been told, has made a material improvement for residents and staff alike.

The pandemic interrupted our usual maintenance and redecoration regimes which are now long overdue but we will be turning to this in the current year to make the Home an attractive place for current and prospective residents.

Finally, we wish to thank residents and their loved ones for all the support they have given us this past year and we look forward with optimism for the coming year with them.



Dr S R Owen - Chair

Date: 20 May 2024

WATERMOOR HOUSE R C H
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of 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

Objectives and aims

The Company's charitable objectives are to provide care for older people in Gloucestershire; as stated in our governing document, "the relief of the needs of elderly people by the provision of such housing, care and amenities as appropriate for their conditions of life".

It currently operates a residential home providing a mix of permanent accommodation and respite care for up to 39 elderly residents in appealing and safe surroundings with constant care and attention.

Our short-term aim is to provide most of the requirements to maximise the quality of life for our residents at an affordable cost. Our longer-term goal is to enable us to continue doing so for others like them in the future.

Our strategy to achieve this is to operate efficiently at a viable level of occupancy with well trained staff who carry out their duties in a professional yet friendly manner. Our guiding principle is that our Home is our residents' home.

Watermoor House currently provides accommodation, meals and domestic services, personal care, communal facilities, a wide range of activities and other services to assist residents' daily living in a caring and personal atmosphere. We arrange visits to and from healthcare providers and, unlike many care providers, we make no additional charge for transporting and accompanying residents to hospital and doctor's visits. We provide daily activities, outings for residents and arrangements for hairdressing and chiropody in the Home for residents, though bouts of Covid continued to interrupt some of these from time to time during the year.

In addition to ensuring the smooth running of the Home, the Trustees remain aware of the longer-term changes in the care industry and the need to take appropriate action to remain efficient and continue to provide care at an affordable cost. Residents tend to come into care later in life, in more frail condition requiring more intense support. The effects of the pandemic continue to affect our financial performance. To date, no Watermoor House resident has been seriously ill, required hospitalisation or passed away from Covid.

The Company is a registered charity. Governance and strategic leadership are provided by the Board of Directors, all of whom are trustees and provide their services as unpaid volunteers.

Public benefit

In planning the charitable company's activities, the trustees keep in mind the Charity Commission's guidance on public benefit. Access to the Home is available to all whether it be as one of our permanent residents or respite clients, or, when infection controls allow, as a visitor on an activity or open day. The focus of the charity's activities during the year, which explains the delivery by the charity of public benefit, is set out below under 'achievement and performance'.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Watermoor House RCH subsidises the fees for a significant proportion of residents who are funded by Social Services; well over 30% of residents throughout this year. Additionally, with no discrimination between full fee-paying clients and others, additional special needs such as assisted activities, accompanied transport to medical appointments, special diets and assisted feeding are provided at no charge regardless of fee status.

We have continued to provide a varied and busy activities schedule to meet the needs and interests of all our residents well beyond the levels required for adequate care at no charge regardless of fee status. Our dedicated, qualified activities coordinator, together with other members of staff, identify activities to meet the different interests of our residents. Throughout this year they have worked with our external activities partners to provide enrichment, stimulation, social interaction and much joy and laughter amongst residents.

Our regular activities have ranged from our adapted yet lively in-house physical activity sessions to suit all ability levels to discussion, poetry and quiz sessions; from the weekly board games morning, to scrabble, crosswords, card games and our film sessions through to interactive musical entertainments and sing-along sessions. Our special celebrations, activities and meals to mark seasonal holidays have been highlights throughout this year.

Other regular activities include scrapbook making recalling old memories and recording new ones, hands-on help to refurbish our sensory garden, topical discussion groups, sing-alongs with MindSong, creating Christmas decorations for residents' rooms and Christmas table decorations, Easter-themed in-house activities including our wooden egg painting and special Easter tea party, evening games & tippie club.

Staff continue to provide 1-to-1 in-room activity sessions for those who cannot or chose not to join group activities. Each resident's birthday is celebrated and we enjoyed several 100th - and more than 100th - birthday parties this year.

The Board monitors performance across all the Home's endeavours, firstly through monthly House and Business reports to set formats. These routinely monitor, report and track occupancy, enquiries, staff levels, sickness and agency usage, training, any complaints or reportable incidents, quality audits, financial performance, business and marketing activity.

Additionally, we carry out an annual staff survey and a survey of residents' satisfaction as well as a separate survey on food provision. The management team hold meetings with residents to obtain their views on an ongoing basis and the Home management conduct both resident meetings open to all residents and one-to-one sessions with residents individually.

Our financial performance is highly geared to the level of room occupancy. We monitor this as described above and this provides us with an ongoing measure of marketing performance which in a time of natural change in our permanent residents is a measure of the effectiveness of our marketing strategy. Occupancy levels have fallen in the current year and this has impacted negatively on our overall financial performance.

WATERMOOR HOUSE R C H
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

Financial position

Watermoor House finances in the last financial year were severely affected by the changes in the labour market following the Covid-19 pandemic. This pressure resulted in a number of staff deciding to leave the care sector for work in jobs that did not carry the same pressures that are associated in caring for vulnerable adults.

At the same time, we saw a number of employers (e.g. local supermarkets) increasing rates of pay significantly, in order to combat the national labour shortage. This situation made it very difficult to recruit staff in the care sector generally and Watermoor House was no exception in having a number of vacancies it could not fill. This, in turn forced us to put a hold on taking new residents as through carer to resident ratios, meant we would not have been able to maintain standards of care at a sufficiently high level to guarantee the welfare of residents.

Since financial viability in the care sector is largely driven by achieving high levels of occupancy our reduced level of occupancy, driven by both staff vacancies has led to an adverse financial outcome for the year. In our report last year we anticipated core trading returning to normal during 2023/24 with project work being impacted into 2024/25. However, additional global events have put additional pressure on staff recruitment and cost inflation, resulting in a net deficit of £303,601 (2022: £5,460), which we funded from our unrestricted reserves. Total income for the year was £1,333,007 (2022: £1,364,486). Total expenditure was £1,636,608 (2022: £1,369,946).

During the year (2022/2023) we took a number of steps, such as controlling buildings renewal and maintenance works to reduce costs in these adverse trading circumstances. The forecast for 2024/25 projects potential improvement in financial performance, with projected net income totalling £1,774,113, reflecting a restructuring of residents' fee structure, anticipated rebuilding of occupancy levels and a modest return to net surplus trading.

Overall, it has proved an extremely difficult trading year, which we anticipate showing modest improvement leading to a small positive trading position in the year 2024-2025, and a very gradual move toward rebuilding our reserves.

Investment policy and objectives

Under the Articles of Association, the Trustees/Directors have the power to invest in any way they think fit. The Trustees have considered the most appropriate policy for investing funds and have found that a balanced portfolio of specialised unit trusts, designed for the charity sector, meets their requirements to generate both income and capital growth. The Trustees monitor returns and market changes but still consider this investment portfolio to be the most appropriate strategy for investing the Company's reserves.

Reserves policy

The Trustees consider that they should aim for free reserves of £200,000 as a minimum. However, in the financial year under review, we have needed to draw heavily on our reserves, such that our free reserves dipped significantly below this level. As referred to elsewhere in this report, occupancy rates are a key driver for our financial performance and their being much lower than our targeted occupancy in 2023/24 led us to draw on our reserves.

At the year-end, total funds were £812,516 (2022: £1,116,117). Trustees aim to rebuild reserves from surpluses that we will accrue as we rebuild occupancy in 2024/2025.

FUTURE PLANS

Plans for the coming year will be driven by the urgent need to rebuild occupancy levels by attracting new residents to support a financially sustainable business always within the context of providing safe, professional care and supporting residents to live well in mind, body and spirit. We will be focussing on renewing and revitalising marketing activities, and refurbishing the physical plant of our fine Georgian building. When prudent, we will rebuild reserves from surpluses generated by greater occupancy.

WATERMOOR HOUSE R C H
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is limited by guarantee, having no share capital. It is established under a Memorandum of Association, which sets out the objects and powers of the charitable company, and is governed under its Articles of Association, as amended by Special Resolutions dated 20 April 2016 and 11 August 2016 respectively.

Recruitment and appointment of new trustees

New Trustees with appropriate life and professional skills are appointed by the members to strengthen the Board for the future good of the Company. Every new Trustee must have an enhanced Disclosure and Barring Service check carried out before taking up appointment and undergoes an induction process.

Organisational structure

The charity is administered by the Board of Trustees all of whom give their time for no financial reward. There are no standing subcommittees but working committees of Trustees and Officers are appointed as the Board deems necessary on an ad hoc basis. A Home Manager is appointed by the Trustees to manage the day to day operations of the Company. This is supported by a Business and Marketing Manager. To facilitate effective operations they have delegated authority within terms of delegation approved by the Trustees for operational matters including finance, employment, purchasing, compliance with regulations and dealing with residents' needs and requirements.

Decisions concerning the pay and remuneration of key management personnel are made by the Board in conjunction with HR consultants by reference to the salaries paid by other similar local organisations. All pay rates are reviewed annually.

Induction and training of new trustees

New Trustees undergo a formal process for induction. It aims to familiarise the new member with their legal obligations as well as the workings of Watermoor House and its personnel.

They meet one-to-one with the Chair, other Board members and senior management and are taken on a tour of Watermoor House. They receive a pack of written materials including recent Board papers, the last Annual Report and documents from the CQC and Charity Commission. Through the induction process new trustees are informed of the general operational activities of the Home, financial reporting and the regulatory framework in which the Company operates.

The Company's Board members are updated on the legal requirements for Trustees on an ongoing basis by the Company's Officers.

Risk management

The charitable company carries out a formal annual risk review procedure and updates its continuity plan in which major risks are identified and brought to the attention of the Board, which then decides the appropriate course of action to avoid the risk, share or transfer it, mitigate or exploit it.

These procedures have highlighted risks that might arise through non-compliance in the ever-changing regulatory regime, risks to residents' safety and financial risks. The Board has taken appropriate action in response to them.

With the added help of fundraising, it is the intention to create sufficient reserves in the future to further mitigate financial risks and this policy is reviewed regularly at Board meetings by reference to current management accounts. The company has been drawing on its reserves in the current year but expect to turn to rebuilding a surplus as occupancy is rebuilt in 2024-2025. We will then continue to rebuild our free reserves to resources in the event of adverse conditions and ensure additional long-term resilience for the Company.

Regular statutory inspections for Health and Safety, Food and Hygiene, Fire and by the Care Quality Commission are reported through the Officers to the Board and assist in highlighting operational risks.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Watermoor House R C H for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the Charity's auditors are aware of that information.

AUDITOR

The auditors, B K Plus Audit Limited (formerly Andorran Limited) (Statutory Auditor), will be proposed for re-appointment at the forthcoming Board Meeting in May 2024. These financial statements were approved at the same meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20 May 2024 and signed on its behalf by:



Dr S R Owen - Trustee

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WATERMOOR HOUSE R C H**

Opinion

We have audited the financial statements of Watermoor House R C H (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to the Statement of Financial Activities on page 12 which records a deficit of £303,601 for the year to 31 August 2023. The charitable company has used its brought forward reserves to fund this deficit, as noted by the trustees in note 2 to the financial statements.

The trustees have acknowledged the financial position and provided their explanation of the causes of the deficit in note 2 to the financial statements. They have also outlined the steps that have been taken, and are being taken, to improve the charitable company's financial position. They conclude that the charity can continue to operate as a going concern.

The existence of the ongoing uncertainties following the covid pandemic and recent economic challenges outside the trustees' control, including the specific challenge of increasing occupancy rates to the point that the charitable company returns to a regular surplus and positive cashflow indicates that a material uncertainty exists that may cast doubt on the charitable company's ability to continue as a going concern.

Our opinion is not modified in this regard.

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 Report of the Independent Auditor 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WATERMOOR HOUSE R C H**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WATERMOOR HOUSE R C H

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the business;
- understanding how the company complies with its regulatory framework by making enquiries of management;
- considering the culture inherent in the company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

We assessed the susceptibility of the company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a small company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the company. These do not necessarily have a direct influence on the financial statements but might affect the company's ability to operate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditor.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WATERMOOR HOUSE R C H

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

23 May 2024

WATERMOOR HOUSE R C H

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	3,992	-	3,992	1,111
Charitable activities	5				
Residential Care		1,327,316	-	1,327,316	1,297,937
Investment income	4	1,699	-	1,699	396
Other income	6	-	-	-	65,042
Total		<u>1,333,007</u>	<u>-</u>	<u>1,333,007</u>	<u>1,364,486</u>
EXPENDITURE ON					
Charitable activities	7				
Residential Care		1,636,608	-	1,636,608	1,369,946
NET INCOME/(EXPENDITURE)		(303,601)	-	(303,601)	(5,460)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,112,053	4,064	1,116,117	1,121,577
TOTAL FUNDS CARRIED FORWARD		<u><u>808,452</u></u>	<u><u>4,064</u></u>	<u><u>812,516</u></u>	<u><u>1,116,117</u></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	31.8.23 Total funds £	31.8.22 Total funds £
FIXED ASSETS					
Tangible assets	14	789,325	-	789,325	784,462
Investments	15	15,009	-	15,009	15,009
		<u>804,334</u>	<u>-</u>	<u>804,334</u>	<u>799,471</u>
CURRENT ASSETS					
Stocks	16	6,949	-	6,949	5,828
Debtors	17	65,168	-	65,168	50,751
Cash at bank and in hand		81,674	4,064	85,738	306,434
		<u>153,791</u>	<u>4,064</u>	<u>157,855</u>	<u>363,013</u>
CREDITORS					
Amounts falling due within one year	18	(149,673)	-	(149,673)	(46,367)
		<u>4,118</u>	<u>4,064</u>	<u>8,182</u>	<u>316,646</u>
NET CURRENT ASSETS					
		<u>808,452</u>	<u>4,064</u>	<u>812,516</u>	<u>1,116,117</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>808,452</u>	<u>4,064</u>	<u>812,516</u>	<u>1,116,117</u>
NET ASSETS					
		<u>808,452</u>	<u>4,064</u>	<u>812,516</u>	<u>1,116,117</u>
FUNDS					
	20			808,452	1,112,053
Unrestricted funds				4,064	4,064
Restricted funds					
TOTAL FUNDS					
				<u>812,516</u>	<u>1,116,117</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 20 May 2024 and were signed on its behalf by:



S R Owen - Trustee

WATERMOOR HOUSE R C H
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	31.8.23 £	31.8.22 £
Cash flows from operating activities			
Cash generated from operations	1	(191,564)	(25,482)
Net cash used in operating activities		<u>(191,564)</u>	<u>(25,482)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(30,831)	(2,016)
Interest received		1,469	1
Dividends received		230	395
Net cash used in investing activities		<u>(29,132)</u>	<u>(1,620)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>306,434</u>	<u>333,536</u>
Cash and cash equivalents at the end of the reporting period		<u><u>85,738</u></u>	<u><u>306,434</u></u>

The notes form part of these financial statements

WATERMOOR HOUSE R C H

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.23	31.8.22
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(303,601)	(5,460)
Adjustments for:		
Depreciation charges	11,732	15,019
Loss on disposal of fixed assets	14,236	-
Interest received	(1,469)	(1)
Dividends received	(230)	(395)
Increase in stocks	(1,121)	(1,380)
Increase in debtors	(14,417)	(17,436)
Increase/(decrease) in creditors	103,306	(15,829)
Net cash used in operations	<u>(191,564)</u>	<u>(25,482)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22	Cash flow	At 31.8.23
	£	£	£
Net cash			
Cash at bank and in hand	306,434	(220,696)	85,738
	<u>306,434</u>	<u>(220,696)</u>	<u>85,738</u>
Total	<u>306,434</u>	<u>(220,696)</u>	<u>85,738</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. STATUTORY INFORMATION

Watermoor House RCH is a company limited by guarantee (registered number: 09327637 England and Wales) and a Charity registered with the Charity Commission in England and Wales (number: 1168947). Its registered address is Watermoor House, Watermoor Road, Cirencester, Gloucestershire, GL7 1JR.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Going Concern

Managing the care and financial impact of Covid has been a fairly long-term task and we are measuring our performance accordingly. During the first year of Covid we fared extremely well, thanks to our dedicated team and pro-active steps taken by management including swift and effective implementation of infection controls.

Our financial performance is highly geared to our resident occupancy levels. Like many in our industry and others post-Covid, Watermoor House struggled to recruit and maintain adequate staff numbers required to deliver the quality of care for our full capacity of residents. Therefore, we took the difficult decision for much of the year to restrict occupancy levels to match our reduced staff numbers. This has put considerable strain on our finances and we have had to dip heavily into our reserve funds. Sustained efforts from our management team have enabled us to recruit adequate staff levels now, and we are working to build occupancy levels again to attain full capacity. In November 2023 we restructured our fees for residents so that higher quality rooms command higher fees and in April 2024 a new Business and Marketing Officer was taken on. We expect the increased marketing will lead to an increase in occupancy rates.

Our performance saw positive net movement in funds of £74k, 2019/20 and £177k in 2020/21 followed by an adverse movement of £5k in 2021/22. However, the sting in the Covid tail and the impact of global events on staff recruitment and cost inflation for 2022/23 yielded an overall deficit for the year of £303,601, which was funded from our reserves.

Our long-term approach to measuring our financial performance during this recent period of unprecedented socioeconomic difficulties, continues to confirm our confidence in the long-term viability of the operation. The forecast for 2023-24 is for a deficit of around £110,000, with the actual position for the seven months to 31 March 2024 showing a net income deficit of £69,640 and net current liabilities of £35,327. We have prepared a forecast to 31 August 2025 expecting a net surplus of £80,000.

We are confident that our underlying operational model for resident fees, cost management and ensuring resident welfare (always at the heart of all we do) has enabled us to survive the storm and will stand us in good stead as we go forward, despite the ongoing uncertainties arising from the post-Covid era and global economic factors outside the charity's control.

The trustees have therefore prepared the financial statements on the going concern basis.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items within the financial statements where these judgements and estimates have been made are:

Depreciation:

Write down of the value of tangible fixed assets over their expected useful lives.

Depreciation has not been provided on the freehold buildings as the Trustees conduct an annual review of the local property market for comparable buildings and consider that the residual value will exceed the book value at the reporting date.

Income

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

Residential care

Invoices are raised in advance on the 1st of the month for every resident's monthly care fees. Income is recognised in the financial statements at the point of invoicing.

Donations and legacies

Donations and legacies are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. In accordance with this policy, legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Investment income

Investment income is included in the year in which it is receivable.

Other income

Other income comprises rental income and government grants.

Rental income from the letting of the non-investment property is payable in advance per calendar month. Although 'The Lodge' is let on a short term lease for rental income, the primary purpose of the property is to support the charitable activities of the charitable company and the intention that it is kept available for a supported living house. The Lodge is located within the grounds of Watermoor House and has no separate legal title to that of Watermoor House filed with the Land Registry.

Grants, including government grants, are recognised when the Charity is entitled to receipt. Where entitlement occurs before the income is received, the income is accrued.

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 cost 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	- 10% on reducing balance
--------------------------------	---------------------------

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Minibus - 25% on reducing balance

Depreciation has not been provided on the freehold buildings as the Trustees consider that the residual value will exceed the book value. No depreciation is provided on freehold land.

Tangible fixed assets are capitalised when they are initially acquired by the Charity. Subsequent expenditure on tangible fixed assets is written off to the Statement of Financial Activities unless it replaces or restores a specifically-identified component within the fixed asset or enhances the asset. Assets individually costing under £1,000 are written off to the Statement of Financial Activities.

Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Stocks

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

Taxation

The Charity benefits from rates relief and is exempt from corporation tax on its charitable activities. It is not, however, exempt from VAT and irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

2. ACCOUNTING POLICIES - continued

Cash at bank and in hand

Cash at bank and in hand includes cash and highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt.

3. DONATIONS AND LEGACIES

	31.8.23	31.8.22
	£	£
Donations	1,548	1,111
Grants	2,444	-
	<u>3,992</u>	<u>1,111</u>

Grants received, included in the above, are as follows:

	31.8.23	31.8.22
	£	£
GCC Market Sustainability & Improvement Fund	2,444	-
	<u>2,444</u>	<u>-</u>

4. INVESTMENT INCOME

	31.8.23	31.8.22
	£	£
Income from unlisted investments	230	395
Deposit account interest	1,469	1
	<u>1,699</u>	<u>396</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.8.23	31.8.22
	Activity	£	£
Received from residents	Residential Care	945,295	979,170
Received from Local Authority	Residential Care	373,446	310,147
Income from Lodge	Residential Care	8,575	8,620
		<u>1,327,316</u>	<u>1,297,937</u>

Funding from the Local Authority is received in respect to those residents who have satisfied the relevant means tests.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

6. OTHER INCOME	31.8.23	31.8.22
	£	£
Government grants	-	65,042
	<u> </u>	<u> </u>
	31.8.23	31.8.22
	£	£
Infection Control Grant	-	33,623
Workforce recruitment and retention fund	-	21,185
Rapid testing fund	-	8,547
Omicron support fund	-	1,687
	<u> </u>	<u> </u>
	-	65,042
	<u> </u>	<u> </u>

All government grants included above for the year to 31 August 2022 were received from Gloucestershire County Council.

7. CHARITABLE ACTIVITIES COSTS	Direct Costs (see note 8)	Support costs (see note 9)	Totals
	£	£	£
Residential Care	1,626,308	10,300	1,636,608
	<u> </u>	<u> </u>	<u> </u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES	31.8.23	31.8.22
	£	£
Staff costs	1,114,607	1,031,388
Subscriptions and registration fees	5,875	6,079
Light and heat	126,187	15,540
Postage, stationery, advertising, telephone and sundries	95,532	58,777
Equipment rental and maintenance	37,753	40,753
Other house expenses	37,225	36,932
Food	103,311	87,017
Property maintenance & repairs	41,129	55,432
Other property expenses	15,894	12,765
Accountancy and payroll	3,978	2,904
Bad debts	-	240
Lodge costs	1,860	-
Motor vehicle expenses	2,926	320
Agency staff costs	12,392	-
Legal and professional fees	1,671	-
Depreciation	11,732	15,019
Loss on sale of assets	14,236	-
	<u> </u>	<u> </u>
	1,626,308	1,363,166
	<u> </u>	<u> </u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

9. SUPPORT COSTS

	Governance costs £
Residential Care	10,300
	<u>10,300</u>

Support costs, included in the above, are as follows:

	31.8.23 Residential Care £	31.8.22 Total activities £
Auditors' remuneration	10,300	6,780
	<u>10,300</u>	<u>6,780</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.23 £	31.8.22 £
Auditors' remuneration	10,300	6,780
Depreciation - owned assets	11,732	15,019
Deficit on disposal of fixed assets	14,236	-
	<u>14,236</u>	<u>-</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

12. STAFF COSTS

	31.8.23 £	31.8.22 £
Wages and salaries	1,022,838	943,656
Social security costs	74,101	66,964
Other pension costs	17,668	20,768
	<u>1,114,607</u>	<u>1,031,388</u>

The average monthly number of employees during the year was as follows:

	31.8.23	31.8.22
Administration	5	5
Support	45	45
	<u>50</u>	<u>50</u>

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

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

12. STAFF COSTS - continued

The key management personnel of the charity comprise the Home Manager, Deputy Home Manager, Business and Marketing Manager, Finance Officer and Administrator. The total cost to the charity of the key management personnel was £166,260 (2022: £164,526).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,111	-	1,111
Charitable activities			
Residential Care	1,297,937	-	1,297,937
Investment income	396	-	396
Other income	35,310	29,732	65,042
Total	<u>1,334,754</u>	<u>29,732</u>	<u>1,364,486</u>
EXPENDITURE ON			
Charitable activities			
Residential Care	1,320,577	49,369	1,369,946
NET INCOME/(EXPENDITURE)	14,177	(19,637)	(5,460)
Transfers between funds	(3,597)	3,597	-
Net movement in funds	10,580	(16,040)	(5,460)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,101,473	20,104	1,121,577
TOTAL FUNDS CARRIED FORWARD	<u><u>1,112,053</u></u>	<u><u>4,064</u></u>	<u><u>1,116,117</u></u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings & equipment £	Minibus £	Totals £
COST				
At 1 September 2022	675,393	239,206	24,995	939,594
Additions	14,022	16,809	-	30,831
Disposals	-	(42,846)	-	(42,846)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	689,415	213,169	24,995	927,579
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 September 2022	-	144,196	10,936	155,132
Charge for year	-	8,217	3,515	11,732
Eliminated on disposal	-	(28,610)	-	(28,610)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	-	123,803	14,451	138,254
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 August 2023	689,415	89,366	10,544	789,325
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	675,393	95,010	14,059	784,462
	<hr/>	<hr/>	<hr/>	<hr/>

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 September 2022 and 31 August 2023	15,009
	<hr/>
NET BOOK VALUE	
At 31 August 2023	15,009
	<hr/>
At 31 August 2022	15,009
	<hr/>

There were no investment assets outside the UK.

Financial instruments

Financial assets measured at fair value are comprised wholly of the listed investments above.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

16.	STOCKS		31.8.23	31.8.22
			£	£
	Kitchen and housekeeping stocks		<u>6,949</u>	<u>5,828</u>
17.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.8.23	31.8.22
			£	£
	Trade debtors		39,778	34,172
	Other debtors		4,478	-
	Prepayments and accrued income		20,912	16,579
			<u>65,168</u>	<u>50,751</u>
18.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.8.23	31.8.22
			£	£
	Creditors for operating activities		48,486	19,253
	Social security and other taxes		43,597	16,438
	Other creditors		32,222	3,746
	Accrued expenses		25,368	6,930
			<u>149,673</u>	<u>46,367</u>
19.	LEASING AGREEMENTS			
	Minimum lease payments under non-cancellable operating leases fall due as follows:			
			31.8.23	31.8.22
			£	£
	Within one year		<u>-</u>	<u>1,951</u>
20.	MOVEMENT IN FUNDS			
			At 1.9.22	At 31.8.23
			£	£
	Unrestricted funds			
	General fund	1,012,053	(303,601)	708,452
	Major projects and improvement	100,000	-	100,000
		<u>1,112,053</u>	<u>(303,601)</u>	<u>808,452</u>
	Restricted funds			
	Dining room renovations	4,064	-	4,064
		<u>1,116,117</u>	<u>(303,601)</u>	<u>812,516</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,333,007	(1,636,608)	(303,601)
TOTAL FUNDS	<u>1,333,007</u>	<u>(1,636,608)</u>	<u>(303,601)</u>

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	1,001,473	14,177	(3,597)	1,012,053
Major projects and improvement	100,000	-	-	100,000
	<u>1,101,473</u>	<u>14,177</u>	<u>(3,597)</u>	<u>1,112,053</u>
Restricted funds				
Dining room renovations	4,515	(451)	-	4,064
Rapid testing	15,589	(15,589)	-	-
Workforce recruitment & retention fund	-	(3,597)	3,597	-
	<u>20,104</u>	<u>(19,637)</u>	<u>3,597</u>	<u>4,064</u>
TOTAL FUNDS	<u>1,121,577</u>	<u>(5,460)</u>	<u>-</u>	<u>1,116,117</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,334,754	(1,320,577)	14,177
Restricted funds			
Dining room renovations	-	(451)	(451)
Rapid testing	8,547	(24,136)	(15,589)
Workforce recruitment & retention fund	21,185	(24,782)	(3,597)
	<u>29,732</u>	<u>(49,369)</u>	<u>(19,637)</u>
TOTAL FUNDS	<u>1,364,486</u>	<u>(1,369,946)</u>	<u>(5,460)</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

20. MOVEMENT IN FUNDS - continued

Purposes of designated fund - Major projects and improvement

Donation received from UBS DAF I & S Owen Charitable Foundation to be used primarily for major projects, and improvements to the fabric of the building and to help ensure the ongoing viability of the Charity, as opposed to day-to-day running costs.

Purposes of restricted fund - Dining room renovations

Grant awarded by Mrs K.D. Winstone Trust to provide funding for the renovation of the residents dining room and the patio garden adjacent to the dining room.

Purposes of restricted fund - Rapid testing

The fund was instigated to support the rollout of lateral flow device ("LFD") testing in care homes. Gloucestershire County Council distribute and allocated the fund on behalf of the Department of Health & Social Care primarily based on the number of beds in the care home. The main purpose of the Rapid testing fund was to support care homes with additional support for the rapid testing of staff, to support visiting professionals and enable close contact resident visiting indoors where possible.

Purposes of restricted fund - Workforce recruitment & retention fund

The fund was instigated to provide support to care homes in their ability to recruit and retain staff, in a sector which is struggling to do so. The funds were utilised by way of bonus payments made to staff in order to retain them.

21. EMPLOYEE BENEFIT OBLIGATIONS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £17,668 (2022: £20,768). Contributions payable to the fund at the balance sheet date were £3,855 (2022: £3,534).

22. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2023.

WATERMOOR HOUSE RCH

England & Wales - Charity number 1168947

Accounts

REGISTERED COMPANY NUMBER: 09327637 (England and Wales)
REGISTERED CHARITY NUMBER: 1168947

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
WATERMOOR HOUSE R C H

Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

WATERMOOR HOUSE R C H

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Page
Reference and Administrative Details	1
Chair's Report	2
Report of the Trustees	3 to 8
Report of the Independent Auditor	9 to 11
Statement of Financial Activities	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 26

WATERMOOR HOUSE R C H

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2022**

TRUSTEES	Dr K Badcock J W Lamus Dr S R Owen Earl A C B Bathurst Revd P Light Mrs J Carter
REGISTERED OFFICE	Watermoor House Watermoor Road Cirencester Gloucestershire GL7 1JR
REGISTERED COMPANY NUMBER	09327637 (England and Wales)
REGISTERED CHARITY NUMBER	1168947
AUDITOR	Andorran Limited (Statutory Auditor) 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX

WATERMOOR HOUSE R C H

CHAIR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Covid-19 continued to dominate and drive Watermoor House events and performance throughout this year. In the earlier part, although the nation outside Watermoor House was emerging, regulations and restrictions persisted to protect our residents, who are in the category of those especially vulnerable to the effects of Covid-19. In the second half of the year, as restrictions loosened residents were able to see relatives more, but the tail end effects of the pandemic were very much present. We remain proud of our Covid-19 record in that we have still not had any residents hospitalised or passing away due to Covid-19.

However, as the Home and society at large emerged towards more normal socialising routines, cases of Covid-19 within the Home increased, albeit with only mild symptoms largely due to receipt of the vaccines. Regulation required re-introduction of short periods of renewed restrictions each time two or more cases emerged within the Home, straining our staff and resources and imposing unpleasant restrictions on residents.

The strain on staff took its toll, with an unprecedented number of Watermoor House staff leaving for jobs outside the residential care sector. Amongst the staff losses this year was the resignation of our highly regarded, much-loved Home Manager, who has left for a well-earned rest from residential care management. We wish her well in her new path and extend our thanks for all she has done for Watermoor House. This trend was not unique to Watermoor House but present throughout the care sector. We have bolstered our recruitment channels and made other responses to increase staff recruitment and are starting to see numbers increase again, although this remains an area of concern for us.

We are not complacent, but we are extremely proud of the successes our staff and management have achieved keeping residents healthy, cheerful and interested in life. We recognise the marvellous work of all our staff pulling together to support each other and residents.

Some examples of how we have kept spirits up and looked after the emotional, physical and intellectual wellbeing of residents include 1-to-1 in-room activity sessions, scrapbook making recalling old memories and recording new ones, hands-on help to create our new sensory garden, celebrating the Queen's Platinum Jubilee, regular topical discussion groups, garden sing-alongs with MindSong, creating Christmas decorations for residents rooms and Christmas table decorations, Easter-themed in-house activities including our wooden egg painting and special Easter tea party, adapted yet lively in-house physical activity sessions, evening games & tipple club.

The programme of renovation and redecoration to our Georgian building resumed post Covid-lockdowns, starting planning for upgrading bathrooms throughout the Home, renovating the main residents' lounge and major renovations required for the upkeep of our building interior and exterior.

Finally, we wish to thank residents and their loved ones for all the support they have given us this past year and we look forward with optimism for the coming year with them.



Dr S R Owen - Chair

Date: 02 May 2023

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of 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

Objectives and aims

The Company's charitable objectives are to provide care for older people in Gloucestershire. It currently operates a residential home providing a mix of permanent accommodation and respite care for up to 39 elderly residents in appealing and safe surroundings with constant care and attention.

Our short-term aim is to provide most of the requirements to maximise the quality of life for our residents at an affordable cost. Our longer-term goal is to enable us to continue doing so for others like them in the future.

Our strategy to achieve this is to operate efficiently at a viable level of occupancy with well trained staff who carry out their duties in a professional yet friendly manner. Our guiding principle is that our Home is our residents' home.

Watermoor House currently provides accommodation, meals and domestic services, personal care, communal facilities, a wide range of activities and other services to assist residents' daily living in a caring and personal atmosphere. We arrange visits to and from healthcare providers and, unlike many care providers, we make no additional charge for transporting and accompanying residents to hospital and doctor's visits. Pre-pandemic we provided frequent outings, arrangements for hairdressing, chiropody and will do so again when infection controls allow.

In addition to ensuring the smooth running of the Home, the Trustees remain aware of the longer-term changes in the care industry and the need to take appropriate action to remain efficient and continue to provide care at an affordable cost. The effects of the pandemic continue to affect our financial performance. To date, no Watermoor House resident has been seriously ill, required hospitalisation or passed away from Covid.

The Chair's report outlines some of the measures we took to ensure the health and well-being of residents as well as staff throughout this challenging time.

The charitable company is a registered charity. Governance and strategic leadership are provided by the Board of Directors, all of whom are trustees and provide their services as unpaid volunteers.

Public benefit

In planning the charitable company's activities, the trustees keep in mind the Charity Commission's guidance on public benefit. Access to the Home is available to all whether it be as one of our permanent residents or respite clients, or, when infection controls allow, as a visitor on an activity or open day. The focus of the charity's activities during the year, which explains the delivery by the charity of public benefit, is set out below under 'achievement and performance'.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Watermoor House RCH subsidises the fees for a significant proportion of residents who are funded by Social Services; at least 30% of residents throughout this year. Additionally, with no discrimination between full fee-paying clients and others, additional special needs such as assisted activities, accompanied transport to medical appointments and special diets are provided at no charge regardless of fee status.

Even through pandemic conditions we have continued to provide a varied and busy activities schedule to meet the needs and interests of all our residents well beyond the levels required for adequate care at no charge regardless of fee status. Due to Covid-19 we have had to rely on in-house provision of activities for most the current year. Our dedicated, qualified activities coordinator identifies activities to meet the different interests of our residents. Throughout this year she has worked with many of our pre-pandemic external activities partners to adapt activities so that we could continue to provide them purely via in-house delivery.

Our activities have ranged from our regular keep fit sessions adapted to suit all ability levels, discussion, poetry and quiz sessions to the weekly board games morning, to scrabble, crosswords, card games and our weekly film sessions through to painting, interactive musical entertainments and sing-along sessions. Our special meals, activities and celebrations to mark seasonal holidays have been highlights throughout this year.

Subject to the varying Covid restrictions across the year, we for provided in-house activities both for groups of residents and for individuals with one-to-one support, finding ways to maintain interest and promote mental as well as physical well-being for all residents, including for residents who were room-bound. For those who cannot or choose not to participate in group activities, we provide one-to-one assistance and support. Each resident's birthday is celebrated and we enjoyed several 100th and more than 100th birthday parties this year.

The Board monitors performance across all the Home's endeavours, firstly through monthly House and Business reports to set formats. These routinely monitor, report and track occupancy, enquiries, staff levels, sickness and agency usage, training, any complaints or reportable incidents, quality audits, financial performance, business and marketing activity.

Additionally, we carry out an annual staff survey and a survey of residents' satisfaction as well as a separate survey on food provision.. The bimonthly meetings of management with residents normally used to obtain views of residents on an ongoing basis were replaced with regular one-to-one sessions between residents and the Home Manager.

Our financial performance is highly geared to the level of room occupancy. We monitor this as described above and this provides us with an ongoing measure of marketing performance which in a time of natural change in our permanent residents is a measure of the effectiveness of our marketing strategy.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Financial position

Watermoor House RCH was extremely fortunate during the last financial year and during the first four months of this, in that staff loyalty and dedication through the most stringent period of Covid restrictions resulted in high standards of health for our residents and very low staff turnover. However, as Covid restrictions were eased Covid outbreaks, although no longer life threatening, became more frequent. This, through ever changing infection control procedures as we moved in and out of outbreak status, put further pressures on staff at a time when global issues were also beginning to exert further pressures on their domestic situations. This pressure resulted in a number of staff deciding to leave the care sector for work in jobs that did not carry the same pressures that are associated in caring for vulnerable adults.

At the same time, we saw a number of employers (e.g. local supermarkets) increasing rates of pay significantly, in order to combat the national labour shortage. This situation made it very difficult to recruit staff in the care sector generally and Watermoor House was no exception in having a number of vacancies it could not fill. This, in turn forced us to put a hold on taking new residents as through carer to resident ratios, meant we would not have been able to maintain standards of care at a sufficiently high level to guarantee the welfare of residents.

Since financial viability in the care sector is largely driven by achieving high levels of occupancy our reduced level of occupancy, driven by both staff vacancies and not being able to take new residents during an outbreak, the ongoing government support was essential to our not having to dip significantly into our reserves.

In our report last year we anticipated core trading returning to normal during 2023/24 with project work being impacted into 2024/25. In respect of Covid this continues to be our view, however, additional global events are putting additional pressure on staff recruitment and cost inflation.

During the year (2021/22) we took a number of steps, such as bringing forward the annual staff increase, revising that award again at the normal review date and ensuring staff received support to cope with the pressure they were under to help alleviate the situation.

With all the measures taken, grants from government and careful management of non-fixed costs the adverse financial impact on reserves was just -£5k.

An extremely difficult trading year, that will be followed by an even more difficult year as government Covid support for the care sector is withdrawn.

Investment policy and objectives

Under the Articles of Association, the Trustees/Directors have the power to invest in any way they think fit. The Trustees have considered the most appropriate policy for investing funds and have found that a balanced portfolio of specialised unit trusts, designed for the charity sector, meets their requirements to generate both income and capital growth. The Trustees monitor returns and market changes but still consider this investment portfolio to be the most appropriate strategy for investing the Company's reserves. The balance at 31 August 2022 stood at £15,009.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW

Reserves policy

The Trustees have examined the requirement for free reserves, which are those unrestricted funds not invested in fixed assets or designated for specific purposes. The Trustees consider that, as a minimum, they should aim for free reserves of £200,000. Cash at bank and in hand plus investments and net of debtors and creditors now total £325,827 (an increase of £6,163). Overall, this means the charity has now achieved its free reserves target, but must remain extremely cautious as continued trading disruption due to the global socioeconomic disruption and delayed expenditure indicate that significant contributions to the listed building sinking fund for renovations and improvements will still be required.

The investment with COIF Charity Funds is recorded under fixed assets, as the intention is to hold this as a long-term reserve. However, as the funds are unrestricted and readily redeemable the value is included when assessing funds counting towards our free reserves target of £200,000.

During this continuing period of recovery, it is felt that the decision to hold relatively low reserves with COIF and maintain the remaining surplus as cash deposits to support the recovery process is appropriate. As the recovery consolidates and work to secure the fabric of our building proceeds, more of this fund will be transferred to COIF or other appropriate long/medium-term investment portfolio.

This level of reserves is needed for the following reasons:

- 1 to minimise the potential disruption, distress and expense which might be caused to the elderly and infirm residents of the Home in the event of:
 - the need for emergency repairs to the Home resulting in residents being moved away into temporary accommodation; and/or
 - the need for expensive repairs, maintenance and improvements to the Home, which is a Grade II listed property.
- 2 to meet the continuing costs of complying with new and proposed regulation and legislation, and
- 3 to enable the Company's activities to be expanded to meet increasing demands for its services.

FUTURE PLANS

Plans for the coming year will be driven by the ongoing tail effects from the pandemic and the volatile broader economic climate. We will be focusing on building staff numbers in order to rebuild occupancy on the one hand and continuous improvement in care delivery on the other. As part of this we plan to increase the range and frequency of our residents' activity programme, transform a bathroom on each floor into a wet room to meet the changing needs of our resident population and continue our programme of renovation and redecoration to our Georgian building as funds soundly permit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is limited by guarantee, having no share capital. It is established under a Memorandum of Association, which sets out the objects and powers of the charitable company, and is governed under its Articles of Association, as amended by Special Resolutions dated 20 April 2016 and 11 August 2016 respectively.

Recruitment and appointment of new trustees

New Trustees with appropriate life and professional skills are appointed by the members to strengthen the Board for the future good of the Company. Every new Trustee must have an enhanced Disclosure and Barring Service check carried out before taking up appointment and undergoes an induction process.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The charity is administered by the Board of Trustees all of whom give their time for no financial reward. There are no standing subcommittees but working committees of Trustees and Officers are appointed as the Board deems necessary on an ad hoc basis. A Home Manager is appointed by the Trustees to manage the day to day operations of the Company. This is supported by a Business and Marketing Manager. To facilitate effective operations they have delegated authority within terms of delegation approved by the Trustees for operational matters including finance, employment, purchasing, compliance with regulations and dealing with residents' needs and requirements.

Decisions concerning the pay and remuneration of key management personnel are made by the Board in conjunction with HR consultants by reference to the salaries paid by other similar local organisations. All pay rates are reviewed annually.

Induction and training of new trustees

New Trustees undergo a formal process for induction. It aims to familiarise the new member with their legal obligations as well as the workings of Watermoor House and its personnel.

They meet one-to-one with the Chair, other Board members and senior management and are taken on a tour of Watermoor House. They receive a pack of written materials including recent Board papers, the last Annual Report and documents from the CQC and Charity Commission. Through the induction process new trustees are informed of the general operational activities of the Home, financial reporting and the regulatory framework in which the Company operates.

The Company's Board members are updated on the legal requirements for Trustees on an ongoing basis by the Company's Officers.

Risk management

The charitable company carries out a formal annual risk review procedure and updates its continuity plan in which major risks are identified and brought to the attention of the Board, which then decides the appropriate course of action to avoid the risk, share or transfer it, mitigate or exploit it. These procedures have highlighted risks that might arise through non-compliance in the ever-changing regulatory regime, risks to residents' safety and financial risks. The Board has taken appropriate action in response to them.

With the added help of fundraising, it is the intention to create sufficient reserves in the future to further mitigate financial risks and this policy is reviewed regularly at Board meetings by reference to current management accounts. The Trustees believe that the current free reserves provide enough resources in the event of adverse conditions but are working to increase reserves to ensure additional long-term resilience for the Company.

Regular statutory inspections for Health and Safety, Food and Hygiene, Fire and by the Care Quality Commission are reported through the Officers to the Board and assist in highlighting operational risks.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Watermoor House R C H for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

WATERMOOR HOUSE R C H
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the Charity's auditors are aware of that information.

AUDITOR

The auditors, Andorran Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Board meeting in April 2022. These financial statements were approved at the same meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 2 May 2023 and signed on its behalf by:



Dr S R Owen - Trustee

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WATERMOOR HOUSE R C H

Opinion

We have audited the financial statements of Watermoor House R C H (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Conclusions relating to going concern

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

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

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

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 Report of the Independent Auditor 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WATERMOOR HOUSE R C H

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the charitable company's activities;
- understanding how the charitable company complies with its regulatory framework by making enquiries of management;
- considering the culture inherent in the charitable company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WATERMOOR HOUSE R C H

Auditors' responsibilities for the audit of the financial statements - continued

We assessed the susceptibility of the charitable company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a charitable company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the charitable company. These do not necessarily have a direct influence on the financial statements but might affect the company's ability to operate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditor.

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

Date: 09 May 2023

WATERMOOR HOUSE R C H

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,111	-	1,111	11,874
Charitable activities					
Residential Care	5	1,297,937	-	1,297,937	1,469,974
Investment income	4	396	-	396	586
Other income	6	35,310	29,732	65,042	81,553
Total		<u>1,334,754</u>	<u>29,732</u>	<u>1,364,486</u>	<u>1,563,987</u>
EXPENDITURE ON					
Charitable activities					
Residential Care	7	<u>1,320,577</u>	<u>49,369</u>	<u>1,369,946</u>	<u>1,386,340</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	20	<u>14,177</u> <u>(3,597)</u>	<u>(19,637)</u> <u>3,597</u>	<u>(5,460)</u> <u>-</u>	<u>177,647</u> <u>-</u>
Net movement in funds		<u>10,580</u>	<u>(16,040)</u>	<u>(5,460)</u>	<u>177,647</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,101,473</u>	<u>20,104</u>	<u>1,121,577</u>	<u>943,930</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,112,053</u></u>	<u><u>4,064</u></u>	<u><u>1,116,117</u></u>	<u><u>1,121,577</u></u>

The notes form part of these financial statements

WATERMOOR HOUSE R C H

**STATEMENT OF FINANCIAL POSITION
31 AUGUST 2022**

		Unrestricted funds £	Restricted funds £	31.8.22 Total funds £	31.8.21 Total funds £
FIXED ASSETS					
Tangible assets	14	780,398	4,064	784,462	797,465
Investments	15	15,009	-	15,009	15,009
		795,407	4,064	799,471	812,474
CURRENT ASSETS					
Stocks	16	5,828	-	5,828	4,448
Debtors	17	50,751	-	50,751	33,315
Cash at bank and in hand		306,434	-	306,434	333,536
		363,013	-	363,013	371,299
CREDITORS					
Amounts falling due within one year	18	(46,367)	-	(46,367)	(62,196)
NET CURRENT ASSETS		316,646	-	316,646	309,103
TOTAL ASSETS LESS CURRENT LIABILITIES		1,112,053	4,064	1,116,117	1,121,577
NET ASSETS		1,112,053	4,064	1,116,117	1,121,577
FUNDS	20				
Unrestricted funds				1,112,053	1,101,473
Restricted funds				4,064	20,104
TOTAL FUNDS				1,116,117	1,121,577

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

The financial statements were approved by the Board of Trustees and authorised for issue on 2 May 2023 and were signed on its behalf by:



S R Owen - Trustee

WATERMOOR HOUSE R C H
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	31.8.22 £	31.8.21 £
Cash flows from operating activities			
Cash generated from operations	1	(25,482)	189,066
Net cash (used in)/provided by operating activities		<u>(25,482)</u>	<u>189,066</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,016)	(38,482)
Sale of tangible fixed assets		-	2,250
Interest received		1	145
Dividends received		395	441
Net cash used in investing activities		<u>(1,620)</u>	<u>(35,646)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		333,536	180,116
Cash and cash equivalents at the end of the reporting period		<u>306,434</u>	<u>333,536</u>

The notes form part of these financial statements

WATERMOOR HOUSE R C H

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.22	31.8.21
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(5,460)	177,647
Adjustments for:		
Depreciation charges	15,019	17,729
Loss on disposal of fixed assets	-	2,115
Interest received	(1)	(145)
Dividends received	(395)	(441)
(Increase)/decrease in stocks	(1,380)	729
Increase in debtors	(17,436)	(6,680)
Decrease in creditors	(15,829)	(1,888)
	<u>(25,482)</u>	<u>189,066</u>
Net cash (used in)/provided by operations	<u>(25,482)</u>	<u>189,066</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21	Cash flow	At 31.8.22
	£	£	£
Net cash			
Cash at bank and in hand	333,536	(27,102)	306,434
	<u>333,536</u>	<u>(27,102)</u>	<u>306,434</u>
Total	<u>333,536</u>	<u>(27,102)</u>	<u>306,434</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. STATUTORY INFORMATION

Watermoor House RCH is a company limited by guarantee (registered number: 09327637 England and Wales) and a Charity registered with the Charity Commission in England and Wales (number: 1168947). Its registered address is Watermoor House, Watermoor Road, Cirencester, Gloucestershire, GL7 1JR.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Going Concern

Managing the care and financial impact of Covid has been a fairly long-term task and we are measuring our performance accordingly. During the first year we fared extremely well, thanks to our dedicated team and swift & effective implementation of infection controls.

Our performance saw positive net movement in funds of £74k, 2019/20 and £177k in 2020/21 followed by an adverse movement of £5k in 2021/22. However, the sting in the Covid tail and the impact of global events on staff recruitment and cost inflation for 2022/23 is likely to see an overall deficit of £100k.

Our long-term approach to measuring our performance during this period of, in recent times, unprecedented socioeconomic difficulties, continues to confirm our confidence in the long-term viability of the business. During the four years 2019/20 - 2022/23 we anticipate the net movement on funds as +£146k. In 2023/24 a return to something close to normal trading will see a trading surplus between £10k-£59k.

Whilst acknowledging that this would not have been possible without government support, we are confident that our underlying business model for resident fees, cost management and ensuring resident welfare (always at the heart of all we do) has enabled us to survive the storm and will stand us in good stead as we go forward.

There are no material uncertainties about the Charitable Company's ability to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items within the financial statements where these judgements and estimates have been made are:

Depreciation:

Write down of the value of tangible fixed assets over their expected useful lives.

Depreciation has not been provided on the freehold buildings as the Trustees conduct an annual review of the local property market for comparable buildings and consider that the residual value will exceed the book value at the reporting date.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES - continued

Income

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

Residential care

Invoices are raised in advance on the 1st of the month for every resident's monthly care fees. Income is recognised in the financial statements at the point of invoicing.

Donations and legacies

Donations and legacies are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. In accordance with this policy, legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Investment income

Investment income is included in the year in which it is receivable.

Other income

Other income comprises rental income and government grants.

Rental income from the letting of the non-investment property is payable in advance per calendar month. Although 'The Lodge' is let on a short term lease for rental income, the primary purpose of the property is to support the charitable activities of the charitable company and the intention that it is kept available for a supported living house. The Lodge is located within the grounds of Watermoor House and has no separate legal title to that of Watermoor House filed with Land Registry.

Grants, including government grants, are recognised when the Charity is entitled to receipt. Where entitlement occurs before the income is received, the income is accrued.

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 cost 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	- 10% on reducing balance
Minibus	- 25% on reducing balance

Depreciation has not been provided on the freehold buildings as the Trustees conduct an annual review of the local property market for comparable buildings and consider that the residual value will exceed the book value. No depreciation is provided on freehold land.

Tangible fixed assets are capitalised when they are initially acquired by the Charity. Subsequent expenditure on tangible fixed assets is written off to the Statement of Financial Activities unless it replaces or restores a specifically-identified component within the fixed asset or enhances the asset. Assets individually costing under £1,000 are written off to the Statement of Financial Activities.

Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES - continued

Stocks

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

Taxation

The Charity benefits from rates relief and is exempt from corporation tax on its charitable activities. It is not, however, exempt from VAT and irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt.

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

3.	DONATIONS AND LEGACIES			31.8.22	31.8.21
				£	£
	Donations			1,111	11,874
				<u> </u>	<u> </u>
4.	INVESTMENT INCOME			31.8.22	31.8.21
				£	£
	Income from unlisted investments			395	441
	Deposit account interest			1	145
				<u> </u>	<u> </u>
				<u>396</u>	<u>586</u>
5.	INCOME FROM CHARITABLE ACTIVITIES			31.8.22	31.8.21
		Activity		£	£
	Received from residents	Residential Care		979,170	1,134,000
	Received from Local Authority	Residential Care		310,147	327,574
	Income from Lodge	Residential Care		8,620	8,400
				<u> </u>	<u> </u>
				<u>1,297,937</u>	<u>1,469,974</u>

Funding from the Local Authority is received in respect to those residents who have satisfied the relevant means tests.

6.	OTHER INCOME			31.8.22	31.8.21
				£	£
	Government grants			65,042	81,553
				<u> </u>	<u> </u>
				31.8.22	31.8.21
				£	£
	Infection Control Grant			33,623	45,660
	Workforce recruitment and retention fund			21,185	-
	Rapid testing fund			8,547	24,109
	Omicron support fund			1,687	-
	Coronavirus Job Retention Scheme			-	8,784
	Care home visiting grant			-	3,000
				<u> </u>	<u> </u>
				<u>65,042</u>	<u>81,553</u>

All government grants included above for the year to 31 August 2022 were received from Gloucestershire County Council.

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Residential Care	1,363,166	6,780	1,369,946

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.22	31.8.21
	£	£
Staff costs	1,031,388	1,035,419
Subscriptions and registration fees	6,079	6,079
Light and heat	15,540	29,942
Postage, stationery, advertising, telephone and sundries	58,777	48,478
Equipment rental and maintenanc	40,753	40,395
Other house expenses	36,932	37,206
Food	87,017	84,630
Property maintenance & repairs	55,432	65,463
Other property expenses	12,765	10,960
Accountancy & payroll	2,904	420
Bad debts	240	94
Motor vehicle expenses	320	660
Depreciation	15,019	17,729
Loss on sale of assets	-	2,115
	1,363,166	1,379,590

9. SUPPORT COSTS

	31.8.22	31.8.21
	£	£
Residential Care		6,780

Support costs, included in the above, are as follows:

	31.8.22	31.8.21
	Residential	Total
	Care	activities
	£	£
Auditors' remuneration	6,780	6,750

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.22	31.8.21
	£	£
Auditors' remuneration	6,780	6,750
Depreciation - owned assets	15,019	17,729
Deficit on disposal of fixed assets	-	2,115

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

12. STAFF COSTS

	31.8.22	31.8.21
	£	£
Wages and salaries	943,656	952,191
Social security costs	66,964	64,900
Other pension costs	20,768	18,328
	<u>1,031,388</u>	<u>1,035,419</u>

The average monthly number of employees during the year was as follows:

	31.8.22	31.8.21
Administration	5	5
Support	45	48
	<u>50</u>	<u>53</u>

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

The key management personnel of the charity comprise the Home Manager, Deputy Home Manager, Business and Marketing Manager, Finance Officer and Administrator. The total cost to the charity of the key management personnel was £164,526 (2021: £146,643).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,428	9,446	11,874
Charitable activities			
Residential Care	1,469,974	-	1,469,974
Investment income	586	-	586
Other income	57,444	24,109	81,553
Total	<u>1,530,432</u>	<u>33,555</u>	<u>1,563,987</u>
EXPENDITURE ON			
Charitable activities			
Residential Care	1,377,318	9,022	1,386,340
NET INCOME	153,114	24,533	177,647
Transfers between funds	<u>23,251</u>	<u>(23,251)</u>	<u>-</u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net movement in funds	176,365	1,282	177,647
RECONCILIATION OF FUNDS			
Total funds brought forward	925,108	18,822	943,930
TOTAL FUNDS CARRIED FORWARD	1,101,473	20,104	1,121,577

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings & equipment £	Minibus £	Totals £
COST				
At 1 September 2021	675,393	237,190	24,995	937,578
Additions	-	2,016	-	2,016
At 31 August 2022	675,393	239,206	24,995	939,594
DEPRECIATION				
At 1 September 2021	-	133,864	6,249	140,113
Charge for year	-	10,332	4,687	15,019
At 31 August 2022	-	144,196	10,936	155,132
NET BOOK VALUE				
At 31 August 2022	675,393	95,010	14,059	784,462
At 31 August 2021	675,393	103,326	18,746	797,465

The Board have considered the value of the property at 31 August 2022. Although no formal, external professional valuation has been obtained, they have conducted a property benchmarking pricing exercise by reviewing comparable properties in the local area. Following that internal review, the Board are satisfied that the residual value of the freehold property exceeds the above cost and accordingly no depreciation charge is deemed necessary. The Board will conduct this annual review at the end of every subsequent reporting period.

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 September 2021 and 31 August 2022	15,009
NET BOOK VALUE	
At 31 August 2022	15,009
At 31 August 2021	15,009

There were no investment assets outside the UK.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

15. **FIXED ASSET INVESTMENTS - continued**

Financial instruments

Financial assets measured at fair value are comprised wholly of the listed investments above.

16. **STOCKS**

	31.8.22	31.8.21
	£	£
Kitchen and housekeeping stocks	5,828	4,448
	<u>5,828</u>	<u>4,448</u>

17. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.22	31.8.21
	£	£
Trade debtors	34,172	18,342
Other debtors	-	1,932
Prepayments and accrued income	16,579	13,041
	<u>50,751</u>	<u>33,315</u>

18. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.22	31.8.21
	£	£
Creditors for operating activities	19,253	17,151
Social security and other taxes	16,438	33,764
Other creditors	3,746	4,225
Accrued expenses	6,930	7,056
	<u>46,367</u>	<u>62,196</u>

19. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.22	31.8.21
	£	£
Within one year	1,951	6,270
Between one and five years	-	2,179
	<u>1,951</u>	<u>8,449</u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

20. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	1,001,473	14,177	(3,597)	1,012,053
Major projects and improvement	100,000	-	-	100,000
	<u>1,101,473</u>	<u>14,177</u>	<u>(3,597)</u>	<u>1,112,053</u>
Restricted funds				
Dining room renovations	4,515	(451)	-	4,064
Rapid testing	15,589	(15,589)	-	-
Workforce recruitment & retention fund	-	(3,597)	3,597	-
	<u>20,104</u>	<u>(19,637)</u>	<u>3,597</u>	<u>4,064</u>
TOTAL FUNDS	<u><u>1,121,577</u></u>	<u><u>(5,460)</u></u>	<u><u>-</u></u>	<u><u>1,116,117</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,334,754	(1,320,577)	14,177
Restricted funds			
Dining room renovations	-	(451)	(451)
Rapid testing	8,547	(24,136)	(15,589)
Workforce recruitment & retention fund	21,185	(24,782)	(3,597)
	<u>29,732</u>	<u>(49,369)</u>	<u>(19,637)</u>
TOTAL FUNDS	<u><u>1,364,486</u></u>	<u><u>(1,369,946)</u></u>	<u><u>(5,460)</u></u>

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	885,691	153,114	(37,332)	1,001,473
Major projects and improvement	39,417	-	60,583	100,000
	<u>925,108</u>	<u>153,114</u>	<u>23,251</u>	<u>1,101,473</u>
Restricted funds				
Dining room renovations	5,017	(502)	-	4,515
Minibus	13,805	9,446	(23,251)	-
Rapid testing	-	15,589	-	15,589
	<u>18,822</u>	<u>24,533</u>	<u>(23,251)</u>	<u>20,104</u>
TOTAL FUNDS	<u><u>943,930</u></u>	<u><u>177,647</u></u>	<u><u>-</u></u>	<u><u>1,121,577</u></u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,530,432	(1,377,318)	153,114
Restricted funds			
Dining room renovations	-	(502)	(502)
Minibus	9,446	-	9,446
Rapid testing	24,109	(8,520)	15,589
	<u>33,555</u>	<u>(9,022)</u>	<u>24,533</u>
TOTAL FUNDS	<u>1,563,987</u>	<u>(1,386,340)</u>	<u>177,647</u>

Purposes of designated fund - Major projects and improvement

Donation received from UBS DAF I & S Owen Charitable Foundation to be used primarily for major projects, and improvements to the fabric of the building and to help ensure the ongoing viability of the Charity, as opposed to day-to-day running costs.

Purposes of restricted fund - Dining room renovations

Grant awarded by Mrs K.D. Winstone Trust to provide funding for the renovation of the residents dining room and the patio garden adjacent to the dining room.

Purposes of restricted fund - Minibus

Funding received from various donors and grant providers including Big Lottery towards the cost of a new Minibus for The House. The balance was transferred to unrestricted funds when the minibus was purchased and made available for general use throughout the charity.

Purposes of restricted fund - Rapid testing

The fund was instigated to support the rollout of lateral flow device ("LFD") testing in care homes. Gloucestershire County Council distribute and allocate the fund on behalf of the Department of Health & Social Care primarily based on the number of beds in the care home. The main purpose of the Rapid testing fund is to support care homes with additional support for the rapid testing of staff, to support visiting professionals and enable close contact resident visiting indoors where possible.

Purposes of restricted fund - Workforce recruitment & retention fund

The fund was instigated to provide support to care homes in their ability to recruit and retain staff, in a sector which is struggling to do so. The funds were utilised by way of bonus payments made to staff in order to retain them.

Transfers between funds

Transfers are made between restricted and unrestricted funds at the end of every accounting period in cases where:

- (i) The activity of the restricted fund has come to an end and there is an unspent balance that is not repayable to the funder (s), when the surplus is transferred to unrestricted funds;

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

20. MOVEMENT IN FUNDS - continued

Transfers between funds - continued

- (ii) the restricted fund is in deficit and has either come to an end or there is no prospect of a surplus in a later period, which the deficit is eliminated by transfer from unrestricted funds: and
- (iii) to transfer the value of tangible fixed assets from restricted to unrestricted funds when the asset has been purchased from a restricted fund donation but is held for a general and not a restricted purpose.

21. EMPLOYEE BENEFIT OBLIGATIONS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £20,768 (2021: £18,328). Contributions payable to the fund at the balance sheet date were £3,534 (2021: £4,225).

22. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

23. CAPITAL COMMITMENTS

	31.8.22	31.8.21
	£	£
Contracted but not provided for in the financial statements	-	9,940
	<u> </u>	<u> </u>

24. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022.

WATERMOOR HOUSE RCH

England & Wales - Charity number 1168947

Accounts

REGISTERED COMPANY NUMBER: 09327637 (England and Wales)
REGISTERED CHARITY NUMBER: 1168947

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
FOR
WATERMOOR HOUSE R C H

Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

WATERMOOR HOUSE R C H

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

	Page
Reference and Administrative Details	1
Chair's Report	2
Report of the Trustees	3 to 8
Report of the Independent Auditor	9 to 11
Statement of Financial Activities	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 26

WATERMOOR HOUSE R C H

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2021**

TRUSTEES	Dr K Badcock J W Lamus Dr S R Owen Earl A C B Bathurst Mrs G M Roberts (resigned 26.4.21) Revd P Light Mrs J Carter
REGISTERED OFFICE	Watermoor House Watermoor Road Cirencester Gloucestershire GL7 1JR
REGISTERED COMPANY NUMBER	09327637 (England and Wales)
REGISTERED CHARITY NUMBER	1168947
AUDITOR	Andorran Limited (Statutory Auditor) 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX

WATERMOOR HOUSE R C H
CHAIR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

This year has been a chastening, humbling year, with many difficulties and sacrifices. However, through a combination of forward planning, tremendous effort and professionalism from our management team and the entire staff body, Watermoor House has fared well across this year given the challenges it presented. Of the very few cases of residents diagnosed with Covid-19, none have been seriously ill, required hospitalisation or passed away.

This is not to say the pandemic has not taken its toll on residents or staff. Residents and their loved ones endured extended periods when we could not welcome them into the Home for visits. Staff have put in many hours of overtime to ensure we could maintain cover without bringing agency staff into the home. We were acutely aware that our job is to safeguard not only physical well-being but emotional well-being of residents and staff as well. In October, our CQC inspection noted that Watermoor House was extremely responsive in meeting the needs of residents and staff.

Extra measures to support residents were put in place. We enhanced remote contact options of each resident's preferred medium, whether video chat, telephone or written, enhanced in-house activities for groups and one-to-one and maintained staff levels to enable staff just to take a little extra time with residents. In December 2020 we converted our summer house into a welcoming, cosy visiting pod to enable Covid-safe visiting for residents, relatives and friends.

Management monitored staff emotional well-being closely and we are extremely proud of the way staff stepped up to support each other, to put in overtime when needed, to adjust to ever-changing rules and regulatory guidance and to maintain high levels of infection control and professionalism with good heart and spirit.

They found time to inject fun and joy into daily routine throughout this difficult year. Our Activities Co-ordinator led religious services with advice and input from our trustee, Reverend Penny Light. The most physically active member of our staff team rose to the challenge of leading age-friendly exercise classes - on many occasions the key activity was full-bodied laughter all round. From December 2020 we were able to take residents out for mystery tours in our new minibus. In the spring we started our After-Supper club, where residents enjoyed gathering for sociable games and tipples of their choice. In the summer, when restrictions allowed, our friends from Mindsong came to lead outdoor/indoor singing.

While we expect the effects of Covid will continue to bring us challenges for at least the coming year, in terms of both financial and operational strength, Watermoor House moves into the year with greater resiliency than the Charity has known for decades. We were especially proud when our Home Manager, Georgina Heley was awarded her Level 7 Masters-equivalent degree in Business Management & Leadership in June.

We are investing in the future by continuing our plans to renew and enhance our facilities and the fabric of our fine building, continuing to invest in developing staff and looking forward to trialling a new telehealth system to provide early warning of residents' health issues.

Finally, we wish to thank residents and their loved ones for all the support they have given us this past year and we look forward with optimism for the coming year with them.



Dr S R Owen - Chair

Date: 29 March 2022

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of 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

Objectives and aims

The Company's charitable objectives are to provide care for older people in Gloucestershire. It currently operates a residential home providing a mix of permanent accommodation and respite care for up to 39 elderly residents in appealing and safe surroundings with constant care and attention.

Our short-term aim is to provide most of the requirements to maximise the quality of life for our residents at an affordable cost. Our longer-term goal is to enable us to continue doing so for others like them in the future.

Our strategy to achieve this is to operate efficiently at a viable level of occupancy with well trained staff who carry out their duties in a professional yet friendly manner. Our guiding principle is that our Home is our residents' home.

Watermoor House currently provides accommodation, meals and domestic services, personal care, communal facilities, a wide range of activities and other services to assist residents' daily living in a caring and personal atmosphere. We arrange visits to and from healthcare providers and, unlike many care providers, we make no additional charge for transporting and accompanying residents to hospital and doctor's visits. Pre-pandemic we provided frequent outings, arrangements for hairdressing, chiropody and will do so again when infection controls allow.

In addition to ensuring the smooth running of the Home, the Trustees remain aware of the longer-term changes in the care industry and the need to take appropriate action to remain efficient and continue to provide care at an affordable cost. This year has been an extraordinarily challenging time due to the Covid-19 pandemic. To date, no Watermoor House resident has been seriously ill, required hospitalisation or passed away from Covid.

The Chair's report outlines some of the measures we took to ensure the health and well-being of residents as well as staff throughout this challenging time.

The charitable company is a registered charity. Governance and strategic leadership are provided by the Board of Directors, all of whom are trustees and provide their services as unpaid volunteers.

Public benefit

In planning the charitable company's activities, the trustees keep in mind the Charity Commission's guidance on public benefit. Access to the Home is available to all whether it be as one of our permanent residents or respite clients and whether they are self or local authority funded. We have for several years had about a third of our occupied rooms from local authority funded residents, where such fees do not meet the costs of care and are supported from the charity's total income.

Additionally, when infection controls allow, we welcome visitors from the local community on an activity or open day. The focus of the charity's activities during the year, which explains the delivery by the charity of public benefit, is set out below under 'achievement and performance'.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Watermoor House RCH subsidises the fees for a significant proportion of residents who are funded by Social Services; at least 30% of residents throughout this year. Additionally, with no discrimination between full fee-paying clients and others, additional special needs such as assisted activities, accompanied transport to medical appointments and special diets are provided at no charge regardless of fee status.

Even through pandemic conditions we have continued to provide a varied and busy activities schedule to meet the needs and interests of all our residents well beyond the levels required for adequate care at no charge regardless of fee status. Due to Covid-19 we have had to rely on in-house provision of activities throughout the current year. Our dedicated, qualified activities coordinator identifies activities to meet the different interests of our residents. Throughout this year she has worked with many of our pre-pandemic external activities partners to adapt activities so that we could continue to provide them purely via in-house delivery.

Our activities have ranged from our regular keep fit sessions, poetry and quiz sessions to the weekly board games morning, to scrabble, crosswords, and our weekly film sessions through to interactive musical entertainments and sing-along sessions. Our special meals, activities and celebrations to mark seasonal holidays have been highlights throughout this year.

This year we have had to suspend our usual outings to garden centres, canal boat trip and other local attractions. Also suspended were our usual arrangements with local schools for regular visits from very young children and our programme of one-to-one befriending relationships with older young volunteers who come in as part of for mutual benefit with the local community. We look forward to being able to resume these when pandemic conditions recede, as well as once again enabling our residents to participate in community activities such as Christmas celebrations in Cirencester, theatre outings and opening Watermoor House to the public for Heritage Day, when visitors can enjoy our historic building.

However, we enhanced our support to residents to follow their individual pursuits and interests within the Home. We provided in-house activities both for socially distanced groups of residents and for individuals with one-to-one support, finding ways to maintain interest and promote mental as well as physical well-being for all residents, including for residents who were bedbound or occasionally room-bound. For those who cannot or choose not to participate in group activities, we provide one-to-one assistance and support. Each resident's birthday is celebrated and we enjoyed several 100th birthday parties this year.

The Board monitors performance across all the Home's endeavours, firstly through monthly House and Business reports to set formats. These routinely monitor and report occupancy, enquiries, staff levels, sickness and agency usage, training, any complaints or reportable incidents, quality audits, financial performance, business and marketing activity.

Additionally, we carry out an annual staff survey and a survey of residents' satisfaction as well as a separate survey on food provision. This year we had additional surveys for all stakeholders regarding Watermoor House's response to the challenges presented by the pandemic. The bimonthly meetings of management with residents normally used to obtain views of residents on an ongoing basis were mostly replaced with regular one-to-one sessions between residents and the Home Manager.

Our financial performance is highly geared to the level of room occupancy. We monitor this as described above and this provides us with an ongoing measure of marketing performance which in a time of natural change in our permanent residents is a measure of the effectiveness of our marketing strategy.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Financial position

An awareness from 2020 of the need to prepare for a further eighteen months to two years of disruption caused by the Covid 19 pandemic has stood us in good stead.

We had already made the structural and fee changes necessary to enable higher levels of ongoing maintenance to our grade II listed property, whilst also building reserves to cover future more major renovation and improvement projects.

Plans put in place to cover additional costs related to the pandemic were prudent and did not assume significant government support.

Government financial support (£81,553) funded the cost of various measures put in place to ensure infection control, Covid related staff sick pay and staff necessarily furloughed did not impact on our normal financial performance.

The small number of Covid infections that did occur amongst residents and staff were all contained and did not spread.

We were closed to admissions for most of the year, but a very low mortality rate and the continued higher than normal proportion of private residents ensured that income was greater than may have been anticipated in the circumstances.

In addition, although we were already working towards funding non-essential and major renovation works of the building, we continue to move forward cautiously while uncertainties remain regarding financial risks associated with the effects of the pandemic.

All of the above have led to what is a very encouraging financial performance in the financial year - a Net Income of £177,647 for the financial year 2020/21.

However, this should be viewed in the context of delayed expenditure (hopefully major refurbishment of the main bathrooms in 2022), wage and inflationary pressures already building in the system. Similarly to last year we do not anticipate returning to a full year of normal trading until 2023/24, with full catchup on delayed projects possibly stretching into 2024/25.

From a financial perspective, our objective has been to ensure the ongoing viability of the Charity in order to continue to support its users.

This and the safety of our residents has we believe been achieved over the last twelve months and we look forward to improving still further the quality of a residency at Watermoor House.

Investment policy and objectives

Under the Articles of Association, the Trustees/Directors have the power to invest in any way they think fit. The Trustees have considered the most appropriate policy for investing funds and have found that a balanced portfolio of specialised unit trusts, designed for the charity sector, meets their requirements to generate both income and capital growth. The Trustees monitor returns and market changes but still consider this investment portfolio to be the most appropriate strategy for investing the Company's reserves. The balance at 31 August 2021 stood at £15,009.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL REVIEW

Reserves policy

The Trustees have examined the requirement for free reserves, which are those unrestricted funds not invested in fixed assets or designated for specific purposes. The Trustees consider that, as a minimum, they should aim for free reserves of £200,000. Cash at bank and in hand plus investments and net of debtors and creditors now total £319,664 (an increase of £161,988). Overall, this means the charity has now achieved its free reserves target, but must remain cautious as future trading disruption and delayed expenditure indicate that significant contributions to the listed building sinking fund for renovations and improvements are still required.

The investment with COIF Charity Funds is recorded under fixed assets, as the intention is to hold this as a long-term reserve. However, as the funds are unrestricted and readily redeemable the value is included when assessing funds counting towards our free reserves target of £200,000.

During this continuing period of recovery, it is felt that the decision to hold relatively low reserves with COIF and maintain the remaining surplus as cash deposits to support the recovery process is appropriate. As the recovery consolidates and work to secure the fabric of our building proceeds, more of this fund will be transferred to COIF or other appropriate long/medium-term investment portfolio.

This level of reserves is needed for the following reasons:

- 1 to minimise the potential disruption, distress and expense which might be caused to the elderly and infirm residents of the Home in the event of:
 - the need for emergency repairs to the Home resulting in residents being moved away into temporary accommodation; and/or
 - the need for expensive repairs, maintenance and improvements to the Home, which is a Grade II listed property.
- 2 to meet the continuing costs of complying with new and proposed regulation and legislation, and
- 3 to enable the Company's activities to be expanded to meet increasing demands for its services.

FUTURE PLANS

Plans for the coming year will continue our focus on two main areas: continuous improvement in care delivery and improving financial sustainability. Improvements in care delivery will especially involve our work to develop skills throughout all levels of management and staff to identify trends across many aspects of behaviour and care - not the least, in dementia care - then to spot opportunities, implement and track improvement.

To improve financial sustainability, we will continue actions aimed to reduce the use of agency staff and to maintain high occupancy levels. To do this we are continuing to implement our programme of restructuring staff procedures to improve both efficiency and rates satisfaction of staff members in all departments hand in hand with maintaining and continuing to improve quality of life for our residents. We will continue our more active and targeted marketing activity to help drive occupancy rates.

Additionally, we will continue to work towards our longer term aims of rebuilding our reserves and a planned programme for maintenance of our historic building.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is limited by guarantee, having no share capital. It is established under a Memorandum of Association, which sets out the objects and powers of the charitable company, and is governed under its Articles of Association, as amended by Special Resolutions dated 20 April 2016 and 11 August 2016 respectively.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

New Trustees with appropriate life and professional skills are appointed by the members to strengthen the Board for the future good of the Company. Every new Trustee must have an enhanced Disclosure and Barring Service check carried out before taking up appointment and undergoes an induction process.

Organisational structure

The charity is administered by the Board of Trustees all of whom give their time for no financial reward. There are no standing subcommittees but working committees of Trustees and Officers are appointed as the Board deems necessary on an ad hoc basis. A Home Manager is appointed by the Trustees to manage the day to day operations of the Company. This is supported by a Business and Marketing Manager. To facilitate effective operations they have delegated authority within terms of delegation approved by the Trustees for operational matters including finance, employment, purchasing, compliance with regulations and dealing with residents' needs and requirements.

Decisions concerning the pay and remuneration of key management personnel are made by the Board in conjunction with HR consultants by reference to the salaries paid by other similar local organisations. All pay rates are reviewed annually.

Induction and training of new trustees

New Trustees undergo a formal process for induction. It aims to familiarise the new member with their legal obligations as well as the workings of Watermoor House and its personnel.

They meet one-to-one with the Chair, other Board members and senior management and are taken on a tour of Watermoor House. They receive a pack of written materials including recent Board papers, the last Annual Report and documents from the CQC and Charity Commission. Through the induction process new trustees are informed of the general operational activities of the Home, financial reporting and the regulatory framework in which the Company operates.

The Company's Board members are updated on the legal requirements for Trustees on an ongoing basis by the Company's Officers.

Risk management

The charitable company carries out a formal annual risk review procedure and updates its continuity plan in which major risks are identified and brought to the attention of the Board, which then decides the appropriate course of action to avoid the risk, share or transfer it, mitigate or exploit it. These procedures have highlighted risks that might arise through non-compliance in the ever-changing regulatory regime, risks to residents' safety and financial risks. The Board has taken appropriate action in response to them.

With the added help of fundraising, it is the intention to create sufficient reserves in the future to further mitigate financial risks and this policy is reviewed regularly at Board meetings by reference to current management accounts. The Trustees believe that the current free reserves provide enough resources in the event of adverse conditions but are working to increase reserves to ensure additional long-term resilience for the Company.

Regular statutory inspections for Health and Safety, Food and Hygiene, Fire and by the Care Quality Commission are reported through the Officers to the Board and assist in highlighting operational risks.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Watermoor House R C H for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the Charity's auditors are aware of that information.

AUDITOR

The auditors, Andorran Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Board meeting in April 2022. These financial statements were approved at the same meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 29 March 2022 and signed on its behalf by:



.....
Dr S R Owen - Trustee

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WATERMOOR HOUSE R C H

Opinion

We have audited the financial statements of Watermoor House R C H (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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 Report of the Independent Auditor 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WATERMOOR HOUSE R C H

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that, despite us planning and performing our audit in accordance with auditing standards, one or more material misstatements in the financial statements may have gone undetected by our audit. As with any audit, there is a risk that irregularities and fraud will go undetected where they involve matters such as misrepresentations from management, collusion, deliberate omissions and override of controls. It is not the role of the auditor to prevent non-compliance and we cannot be expected to detect every instance of non-compliance with all laws and regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiries of management including a pre audit meeting;
- obtaining and reviewing supporting documentation of policies concerning the laws and regulations applicable to the charitable company's activities;
- understanding how the charitable company complies with its regulatory framework by making enquiries of management ;
- considering the culture inherent in the charitable company and whether this represents a culture of honesty and ethical behaviour with a strong emphasis of detection and prevention of fraud.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WATERMOOR HOUSE R C H**

Auditors' responsibilities for the audit of the financial statements - continued

We assessed the susceptibility of the charitable company's financial statements to material misstatement and considered how fraud might occur. The audit procedures performed included, but were not limited to:

- challenging management assumptions and estimates;
- identifying and testing unusual journal entries;
- assessing how the relevant laws and regulations have been complied with and noting any instances of non compliance;
- reviewing the financial statements for compliance with relevant Accounting Standards and accounting legislation applicable to a charitable company;
- considering how those charged with governance have addressed the possibility of an override of essential controls or other influence over the financial reporting processes.

In addition, we also considered other non financial laws relevant to the charitable company. These do not necessarily have a direct influence on the financial statements but might affect the company's ability to operate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditor.

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

9 May 2022

WATERMOOR HOUSE R C H

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,428	9,446	11,874	3,805
Charitable activities					
Residential Care	4	1,469,974	-	1,469,974	1,441,481
Investment income	3	586	-	586	780
Other income	5	57,444	24,109	81,553	58,865
Total		<u>1,530,432</u>	<u>33,555</u>	<u>1,563,987</u>	<u>1,504,931</u>
EXPENDITURE ON					
Charitable activities					
Residential Care	6	1,377,318	9,022	1,386,340	1,430,407
NET INCOME		<u>153,114</u>	<u>24,533</u>	<u>177,647</u>	<u>74,524</u>
Transfers between funds	19	<u>23,251</u>	<u>(23,251)</u>	-	-
Net movement in funds		176,365	1,282	177,647	74,524
RECONCILIATION OF FUNDS					
Total funds brought forward		925,108	18,822	943,930	869,406
TOTAL FUNDS CARRIED FORWARD		<u><u>1,101,473</u></u>	<u><u>20,104</u></u>	<u><u>1,121,577</u></u>	<u><u>943,930</u></u>

The notes form part of these financial statements

WATERMOOR HOUSE R C H
STATEMENT OF FINANCIAL POSITION
31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	31.8.21 Total funds £	31.8.20 Total funds £
FIXED ASSETS					
Tangible assets	13	792,950	4,515	797,465	781,077
Investments	14	15,009	-	15,009	15,009
		<hr/>	<hr/>	<hr/>	<hr/>
		807,959	4,515	812,474	796,086
CURRENT ASSETS					
Stocks	15	4,448	-	4,448	5,177
Debtors	16	33,315	-	33,315	26,635
Cash at bank and in hand		317,947	15,589	333,536	180,116
		<hr/>	<hr/>	<hr/>	<hr/>
		355,710	15,589	371,299	211,928
CREDITORS					
Amounts falling due within one year	17	(62,196)	-	(62,196)	(64,084)
		<hr/>	<hr/>	<hr/>	<hr/>
NET CURRENT ASSETS		293,514	15,589	309,103	147,844
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,101,473	20,104	1,121,577	943,930
		<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS		1,101,473	20,104	1,121,577	943,930
		<hr/>	<hr/>	<hr/>	<hr/>
FUNDS	19				
Unrestricted funds				1,101,473	925,108
Restricted funds				20,104	18,822
				<hr/>	<hr/>
TOTAL FUNDS				1,121,577	943,930
				<hr/>	<hr/>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29 March 2022 and were signed on its behalf by:


 S R Owen - Trustee

WATERMOOR HOUSE R C H
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	31.8.21 £	31.8.20 £
Cash flows from operating activities			
Cash generated from operations	1	189,066	67,047
Net cash provided by operating activities		<u>189,066</u>	<u>67,047</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(38,482)	(35,597)
Sale of tangible fixed assets		2,250	-
Interest received		145	293
Dividends received		441	487
Net cash used in investing activities		<u>(35,646)</u>	<u>(34,817)</u>
Change in cash and cash equivalents in the reporting period			
		153,420	32,230
Cash and cash equivalents at the beginning of the reporting period		<u>180,116</u>	<u>147,886</u>
Cash and cash equivalents at the end of the reporting period		<u><u>333,536</u></u>	<u><u>180,116</u></u>

The notes form part of these financial statements

WATERMOOR HOUSE R C H

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.21	31.8.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	177,647	74,524
Adjustments for:		
Depreciation charges	17,729	11,742
Loss on disposal of fixed assets	2,115	937
Interest received	(145)	(293)
Dividends received	(441)	(487)
Decrease/(increase) in stocks	729	(447)
Increase in debtors	(6,680)	(8,018)
Decrease in creditors	(1,888)	(10,911)
Net cash provided by operations	<u>189,066</u>	<u>67,047</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20	Cash flow	At 31.8.21
	£	£	£
Net cash			
Cash at bank and in hand	180,116	153,420	333,536
	<u>180,116</u>	<u>153,420</u>	<u>333,536</u>
Total	<u>180,116</u>	<u>153,420</u>	<u>333,536</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Going Concern

Given the ongoing, though slightly reduced, financial impact of the pandemic, building inflationary pressures and staffing issues within the care sector, the directors have looked forward twelve months and arranged a strategy meeting for early 2022, with a view to ensuring we have appropriate plans in place to take us forward over the next five years.

We are confident that our net current assets of £309,103 and plans for 2021/2022 are such that we are now achieving the financial stability we are working towards.

These funds and our planned surplus for 2022/2023 will enable us to work steadily to improve our facilities in order to satisfy changes to legislation and resident expectations, whilst still building the reserves necessary to fund major renovation projects when the time is appropriate.

As a result of our evaluation of future performance and the actions we are taking, we are confident in the ongoing success of the Charitable Company as a going concern and have prepared the financial statements on that basis.

Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items within the financial statements where these judgements and estimates have been made are:

Depreciation:

Write down of the value of tangible fixed assets over their expected useful lives.

Depreciation has not been provided on the freehold buildings as the Trustees conduct an annual review of the local property market for comparable buildings and consider that the residual value will exceed the book value at the reporting date.

Income

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

Invoices are raised in advance on the 1st of the month for every resident's monthly care fees. Income is recognised in the financial statements at the point of invoicing.

Donations and legacies are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. In accordance with this policy, legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Investment income is included in the year in which it is receivable.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES - continued

Income

Rental income from the letting of the non-investment property is payable in advance per calendar month. Although 'The Lodge' is let on a short term lease for rental income, the primary purpose of the property is to support the charitable activities of the charitable company and the intention that it is kept available for a supported living house. The Lodge is located within the grounds of Watermoor House and has no separate legal title to that of Watermoor House filed with Land Registry.

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 cost 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	- 10% on reducing balance
Minibus	- 25% on reducing balance

Depreciation has not been provided on the freehold buildings as the Trustees conduct an annual review of the local property market for comparable buildings and consider that the residual value will exceed the book value. No depreciation is provided on freehold land.

Tangible fixed assets are capitalised when they are initially acquired by the Charity. Subsequent expenditure on tangible fixed assets is written off to the Statement of Financial Activities unless it replaces or restores a specifically-identified component within the fixed asset or enhances the asset. Assets individually costing under £1,000 are written off to the Statement of Financial Activities.

Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

Stocks

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

Taxation

The Charity benefits from rates relief and is exempt from corporation tax on its charitable activities. It is not, however, exempt from VAT and irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.8.21	31.8.20
	£	£
Donations	11,874	3,805
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	31.8.21	31.8.20
	£	£
Income from unlisted investments	441	487
Deposit account interest	145	293
	<u> </u>	<u> </u>
	<u>586</u>	<u>780</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		31.8.21	31.8.20
	Activity	£	£
Received from residents	Residential Care	1,134,000	1,161,333
Received from Local Authority	Residential Care	327,574	261,788
Income from Lodge	Residential Care	8,400	8,360
Grants	Residential Care	-	10,000
		<u> </u>	<u> </u>
		<u>1,469,974</u>	<u>1,441,481</u>

Funding from the Local Authority is received in respect to those residents who have satisfied the relevant means tests.

Grants received, included in the above, are as follows:

	31.8.21	31.8.20
	£	£
Big Lottery	-	10,000
	<u> </u>	<u> </u>

5. OTHER INCOME

	31.8.21	31.8.20
	£	£
Government grants	81,553	58,865
	<u> </u>	<u> </u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

5. OTHER INCOME - continued

	31.8.21 £	31.8.20 £
Infection Control Grant	45,660	38,100
Rapid testing fund	24,109	-
Coronavirus Job Retention Scheme	8,784	13,279
Care home visiting grant	3,000	-
Coronavirus Community Support Fund	-	5,472
Coronavirus Statutory Sick Pay Rebate Scheme	-	2,014
	81,553	58,865
	81,553	58,865

All government grants included above for the year to 31 August 2021, with the exception of the Coronavirus Job Retention Scheme grant, were received from Gloucestershire County Council.

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Residential Care	1,379,590	6,750	1,386,340
	1,379,590	6,750	1,386,340
	1,379,590	6,750	1,386,340

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.21 £	31.8.20 £
Staff costs	1,035,419	1,095,195
Subscriptions and registration fees	6,079	5,779
Light and heat	29,942	31,636
Postage, stationery, advertising, telephone and sundries	48,478	56,722
Equipment rental and maintainan	40,395	35,226
Other house expenses	37,206	41,852
Food	84,630	82,907
Property maintenance & repairs	65,463	49,107
Other property expenses	10,960	9,068
Accountancy & payroll	420	3,300
Bad debts	94	12
Motor vehicle expenses	660	-
Depreciation	17,729	11,742
Loss on sale of assets	2,115	937
	1,379,590	1,423,483
	1,379,590	1,423,483

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

8. SUPPORT COSTS

	Governance costs £ <u>6,750</u>
Residential Care	

Support costs, included in the above, are as follows:

	31.8.21 Residential Care £ <u>6,750</u>	31.8.20 Total activities £ <u>6,924</u>
Auditors' remuneration		

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.21 £ 6,750	31.8.20 £ 6,924
Auditors' remuneration	17,729	11,742
Depreciation - owned assets	2,115	937
Deficit on disposal of fixed assets	<u> </u>	<u> </u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

11. STAFF COSTS

	31.8.21 £ 952,191	31.8.20 £ 1,008,258
Wages and salaries	64,900	65,344
Social security costs	18,328	21,593
Other pension costs	<u>1,035,419</u>	<u>1,095,195</u>

The average monthly number of employees during the year was as follows:

	31.8.21 5	31.8.20 5
Administration	48	48
Support	<u>53</u>	<u>53</u>

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

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

11. STAFF COSTS - continued

The key management personnel of the charity comprise the Home Manager, Deputy Home Manager, Business and Marketing Manager, Finance Officer and Administrator. The total cost to the charity of the key management personnel was £146,643 (2020: £136,443).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	3,805	3,805
Charitable activities			
Residential Care	1,431,481	10,000	1,441,481
Investment income	780	-	780
Other income	58,865	-	58,865
Total	1,491,126	13,805	1,504,931
EXPENDITURE ON			
Charitable activities			
Residential Care	1,429,499	908	1,430,407
NET INCOME	61,627	12,897	74,524
RECONCILIATION OF FUNDS			
Total funds brought forward	863,481	5,925	869,406
TOTAL FUNDS CARRIED FORWARD	925,108	18,822	943,930

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings & equipment £	Minibus £	Totals £
COST				
At 1 September 2020	675,393	234,252	13,500	923,145
Additions	-	13,487	24,995	38,482
Disposals	-	(10,549)	(13,500)	(24,049)
	<u>675,393</u>	<u>237,190</u>	<u>24,995</u>	<u>937,578</u>
DEPRECIATION				
At 1 September 2020	-	128,568	13,500	142,068
Charge for year	-	11,480	6,249	17,729
Eliminated on disposal	-	(6,184)	(13,500)	(19,684)
	<u>-</u>	<u>133,864</u>	<u>6,249</u>	<u>140,113</u>
NET BOOK VALUE				
At 31 August 2021	<u>675,393</u>	<u>103,326</u>	<u>18,746</u>	<u>797,465</u>
At 31 August 2020	<u>675,393</u>	<u>105,684</u>	<u>-</u>	<u>781,077</u>

The Board have considered the value of the property at 31 August 2021. Although no formal, external professional valuation has been obtained, they have conducted a property benchmarking pricing exercise by reviewing comparable properties in the local area. Following that internal review, the Board are satisfied that the residual value of the freehold property exceeds the above cost and accordingly no depreciation charge is deemed necessary. The Board will conduct this annual review at the end of every subsequent reporting period.

14. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 September 2020 and 31 August 2021	<u>15,009</u>
NET BOOK VALUE	
At 31 August 2021	<u>15,009</u>
At 31 August 2020	<u>15,009</u>

There were no investment assets outside the UK.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

15. STOCKS				
		31.8.21		31.8.20
		£		£
Kitchen and housekeeping stocks		4,448		5,177
		<u> </u>		<u> </u>
16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.8.21		31.8.20
		£		£
Trade debtors		18,342		5,935
Other debtors		1,932		7,286
Prepayments and accrued income		13,041		13,414
		<u> </u>		<u> </u>
		<u>33,315</u>		<u>26,635</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.8.21		31.8.20
		£		£
Creditors for operating activities		17,151		27,788
Social security and other taxes		37,989		24,616
Accrued expenses		7,056		11,680
		<u> </u>		<u> </u>
		<u>62,196</u>		<u>64,084</u>
18. LEASING AGREEMENTS				
Minimum lease payments under non-cancellable operating leases fall due as follows:				
		31.8.21		31.8.20
		£		£
Within one year		6,270		8,788
Between one and five years		2,179		11,050
		<u> </u>		<u> </u>
		<u>8,449</u>		<u>19,838</u>
19. MOVEMENT IN FUNDS				
	At 1.9.20	Net movement	Transfers	At
	£	in funds	between	31.8.21
		£	funds	£
Unrestricted funds				
General fund	885,691	153,114	(37,332)	1,001,473
Major projects and improvement	39,417	-	60,583	100,000
	<u>925,108</u>	<u>153,114</u>	<u>23,251</u>	<u>1,101,473</u>
Restricted funds				
Dining room renovations	5,017	(502)	-	4,515
Minibus	13,805	9,446	(23,251)	-
Rapid testing	-	15,589	-	15,589
	<u>18,822</u>	<u>24,533</u>	<u>(23,251)</u>	<u>20,104</u>
TOTAL FUNDS	<u>943,930</u>	<u>177,647</u>	<u>-</u>	<u>1,121,577</u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,530,432	(1,377,318)	153,114
Restricted funds			
Dining room renovations	-	(502)	(502)
Minibus	9,446	-	9,446
Rapid testing	24,109	(8,520)	15,589
	<u>33,555</u>	<u>(9,022)</u>	<u>24,533</u>
TOTAL FUNDS	<u><u>1,563,987</u></u>	<u><u>(1,386,340)</u></u>	<u><u>177,647</u></u>

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	798,282	87,409	885,691
Major projects and improvement	65,199	(25,782)	39,417
	<u>863,481</u>	<u>61,627</u>	<u>925,108</u>
Restricted funds			
Dining room renovations	5,925	(908)	5,017
Minibus	-	13,805	13,805
	<u>5,925</u>	<u>12,897</u>	<u>18,822</u>
TOTAL FUNDS	<u><u>869,406</u></u>	<u><u>74,524</u></u>	<u><u>943,930</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,491,126	(1,403,717)	87,409
Major projects and improvement	-	(25,782)	(25,782)
	<u>1,491,126</u>	<u>(1,429,499)</u>	<u>61,627</u>
Restricted funds			
Dining room renovations	-	(908)	(908)
Minibus	13,805	-	13,805
	<u>13,805</u>	<u>(908)</u>	<u>12,897</u>
TOTAL FUNDS	<u><u>1,504,931</u></u>	<u><u>(1,430,407)</u></u>	<u><u>74,524</u></u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

19. MOVEMENT IN FUNDS - continued

Purposes of designated fund - Major projects and improvement

Donation received from UBS DAF I & S Owen Charitable Foundation to be used primarily for major projects, and improvements to the fabric of the building and to help ensure the ongoing viability of the Charity, as opposed to day-to-day running costs.

Purposes of restricted fund - Dining room renovations

Grant awarded by Mrs K.D. Winstone Trust to provide funding for the renovation of the residents dining room and the patio garden adjacent to the dining room.

Purposes of restricted fund - Minibus

Funding received from various donors and grant providers including Big Lottery towards the cost of a new Minibus for The House. The balance was transferred to unrestricted funds when the minibus was purchased and made available for general use throughout the charity.

Purposes of restricted fund - Rapid testing

The fund was instigated to support the rollout of lateral flow device ("LFD") testing in care homes. Gloucestershire County Council distribute and allocate the fund on behalf of the Department of Health & Social Care primarily based on the number of beds in the care home. The main purpose of the Rapid testing fund is to support care homes with additional support for the rapid testing of staff, to support visiting professionals and enable close contact resident visiting indoors where possible.

Transfers between funds

Transfers are made between restricted and unrestricted funds at the end of every accounting period in cases where:

- (i) The activity of the restricted fund has come to an end and there is an unspent balance that is not repayable to the funder (s), when the surplus is transferred to unrestricted funds;
- (ii) the restricted fund is in deficit and has either come to an end or there is no prospect of a surplus in a later period, which the deficit is eliminated by transfer from unrestricted funds: and
- (iii) to transfer the value of tangible fixed assets from restricted to unrestricted funds when the asset has been purchased from a restricted fund donation but is held for a general and not a restricted purpose.

20. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

21. CAPITAL COMMITMENTS

	31.8.21	31.8.20
	£	£
Contracted but not provided for in the financial statements	9,940	-
	<u> </u>	<u> </u>

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021.

WATERMOOR HOUSE RCH

England & Wales - Charity number 1168947

Accounts

REGISTERED COMPANY NUMBER: 09327637 (England and Wales)
REGISTERED CHARITY NUMBER: 1168947

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020
FOR
WATERMOOR HOUSE R C H

Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

WATERMOOR HOUSE R C H

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

	Page
Reference and Administrative Details	1
Chair's Report	2
Report of the Trustees	3 to 8
Report of the Independent Auditor	9 to 10
Statement of Financial Activities	11
Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Statement of Cash Flows	14
Notes to the Financial Statements	15 to 24

WATERMOOR HOUSE R C H

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2020**

TRUSTEES	Dr K Badcock J W Lamus Sir R K Morland (resigned 16.12.19) Dr S R Owen Earl A C B Bathurst Mrs G M Roberts B A Jashanmal (resigned 16.12.19) Revd P Light (appointed 20.4.20) Mrs J Carter (appointed 20.4.20)
REGISTERED OFFICE	Watermoor House Watermoor Road Cirencester Gloucestershire GL7 1JR
REGISTERED COMPANY NUMBER	09327637 (England and Wales)
REGISTERED CHARITY NUMBER	1168947
AUDITOR	Andorran Limited (Statutory Auditor) 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX

WATERMOOR HOUSE R C H

CHAIR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

This has undoubtedly been a challenging yet rewarding year for Watermoor House. We continued our long path to improving processes and procedures and started to enjoy and build upon these improvements, seeing better staff working culture - recognised by achieving a 'Good' CQC rating - alongside better financial performance just as the Covid-19 pandemic broke in the UK. We had improved our gardens and refurbished our dining room and continued our path of long-needed building repairs.

With better management controls in place, and the strong staff morale these engendered, we entered the Covid-19 pandemic along with the rest of the nation and indeed, the world. Fortunately, we recognised at least some of the impending Covid-19 challenges slightly ahead, closing the Home to visitors ahead of Government guidance, ensuring our staff had adequate stocks of PPE before shortages became commonplace and enhancing staff training on infection control measures early. Our managers and trustees were quick to recognise and act upon the potential challenges that necessary Covid-related restrictions and extra responsibilities would present to both residents and staff. Management began monitoring these early on, for example, with emotional mapping of staff, and enhanced, personalised one-to-one support for residents.

The pandemic continued to present an ever-changing landscape of threats and regulatory changes throughout the second half of this reporting year. We have met these and coped well, but only through strong and open leadership supported by tremendous teamwork from all our staff, residents and relatives.

We are not complacent, but we are extremely proud of the successes our staff and management have achieved keeping residents healthy, cheerful and interested in life. We recognise the marvellous work of all our staff: carrying out extra tasks required to keep residents safe and well while not letting slip the routine, day-to-day responsibilities and helping to fill the gaps created by not being able to have our usual visitors, residents' family and friends, entertainers and activity helpers.

This work goes on but it is worth remembering here some examples of how we have kept spirits up and looked after the emotional, physical and intellectual wellbeing of residents in the extraordinary period of lockdown: exercises with Tic-Toc, Chair's Pic of the Day from the around the world with discussion-provoking commentary, Easter-themed in-house activities from Easter bonnet competition to special Easter tea party, regular religious services led by our Activities Coordinator with input from Reverend Light, distanced garden sing-alongs with MindSong, staff Sports Day with a barbecue for residents, visits from the ice cream van in the height of the summer, craft activities with activity kits from our craft partners, choir participation through YouTube and our own daily Watermoor House news with a poem, prayer and quote of the day.

Finally, we would like to recognise some changes to our Board membership in this financial year. We are very pleased to welcome Mrs Jillian Carter and Reverend Penny Light to the Board. Each of them brings particular experience and perspectives to the Board which help to broaden the skillset amongst Board members. Sadly, Mr Bharat Jashanmal and Sir Robert Morland also left the Board in the course of this year. Both of them brought depth of business insight, tremendous people management skills and real dedication to Watermoor House, its mission, staff and residents and will be sorely missed. We thank them each for their tremendous contributions and wish them all best in the next chapters of their lives.



Dr S R Owen – Chair

Date: 26 April 2021.....

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of 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

Objectives and aims

The Company's charitable objectives are to provide care for older people in Gloucestershire. It currently operates a residential home providing a mix of permanent accommodation and respite care for up to 39 elderly residents in appealing and safe surroundings with constant care and attention.

Our short-term aim is to provide most of the requirements to maximise the quality of life for our residents at an affordable cost. Our longer-term goal is to enable us to continue doing so for others like them in the future. Our strategy to achieve this is to operate efficiently at a viable level of occupancy with well trained staff who carry out their duties in a professional yet friendly manner. Our guiding principle is that our Home is our residents' home.

Watermoor House currently provides accommodation, meals and domestic services, personal care, arrangements for hairdressing, chiropody and visits to and from healthcare providers, communal facilities, a wide range of activities, outings and other services to assist residents' daily living in a caring and personal atmosphere. Unlike many care providers, we make no additional charge for transporting and accompanying residents to hospital and doctor's visits.

In addition to ensuring the smooth running of the Home, the Trustees remain aware of the longer-term changes in the care industry and the need to take appropriate action to remain efficient and continue to provide care at an affordable cost. The second half of this year has been an extraordinarily challenging time due to the Covid-19 pandemic. To date, no Watermoor House resident has had Covid-19. The Chair's report outlines some of the measures we took to ensure the health and well-being of residents as well as staff throughout this challenging time.

The charitable company is a registered charity. Governance and strategic leadership are provided by the Board of Directors, all of whom are trustees and provide their services as unpaid volunteers.

Public benefit

In planning the charitable company's activities, the trustees keep in mind the Charity Commission's guidance on public benefit. Access to the Home is available to all whether it be as one of our permanent residents or respite clients, or as a visitor on an activity or open day. The focus of the charity's activities during the year, which explains the delivery by the charity of public benefit, is set out below under 'achievement and performance'.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Watermoor House RCH subsidises the fees for a significant proportion of residents who are funded by Social Services; at least 30% of residents throughout this year, frequently more. Additionally, with no discrimination between full fee-paying clients and others, additional special needs such as accompanied transport to medical appointments and special diets are provided at no charge regardless of fee status.

We continue to provide a varied and busy activities schedule to meet the needs and interests of all our residents well beyond the levels required for adequate care at no charge regardless of fee status. We have a dedicated, qualified activities coordinator who identifies activities to meet the different interests of our residents. In normal, non-pandemic times these range from our regular keep fit sessions, poetry and quiz sessions to the weekly board games morning, the choir in collaboration with our neighbours at Paternoster, to scrabble, crosswords, Knit & Natter and our weekly film sessions through to the array of interactive musical entertainments from professionally presented guitar, piano and sing-along sessions to outings to garden centres, canal boat trip and other local attractions. We have special meals, activities and celebrations to mark seasonal holidays.

We have arrangements with local schools for regular visits from very young children and also with older young volunteers who come in as part of our programme of one-to-one befriending relationships for mutual benefit with the local community. We enable our residents to participate in community activities such as Christmas celebrations in Cirencester and theatre outings and we open Watermoor House to the public for Heritage Day, when visitors can enjoy our historic building.

We also give support to residents to follow their individual pursuits and interests. In particular, for those who cannot or choose not to participate in group activities, we provide one-to-one assistance and support. Each resident's birthday is celebrated and we enjoyed several 100th birthday parties this year.

During the months when the Covid-19 pandemic meant outside activities and visitors had to be restricted or ceased, we ramped up our in-house activities both for socially distanced groups of residents and for individuals with one-to-one support, finding ways to maintain interest and promote mental as well as physical well-being for all residents, including for residents who were bedbound or occasionally room-bound.

We found ways to bring the outside community in to Watermoor House in different ways that helped to maintain a sense of normality and connection to residents whilst still protecting them from infection. A few examples are distanced indoor/outdoor visitors being accommodated from June 2020, outdoor singalongs with our partners from MindSong throughout the summer and religious services led by our Activities Coordinator with input and guidance from Reverend Light.

The Board monitors performance across all the Home's endeavours, firstly through monthly House and Business reports to set formats. These routinely monitor and report occupancy, enquiries, staff levels, sickness and agency usage, training, any complaints or reportable incidents, quality audits, financial performance, business and marketing activity.

Additionally, we carry out an annual staff survey and a survey of residents' satisfaction as well as a separate survey on food provision. This year we had additional surveys for all stakeholders regarding Watermoor House's response to the challenges presented by the pandemic. The bimonthly meetings of management with residents normally used to obtain views of residents on an ongoing basis were replaced in the second half of the year with regular one-to-one sessions between residents and the Home Manager.

Our financial performance is highly geared to the level of room occupancy. We monitor this as described above and this provides us with an ongoing measure of marketing performance which in a time of natural change in our permanent residents is a measure of the effectiveness of our marketing strategy. With increased and better targeted marketing efforts throughout the year until pandemic restrictions came into force, we saw a sustained rise in occupancy levels.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

Financial position

2019/20 has been an extremely challenging year from both care and financial perspectives. It was a year in three parts:

- Months 1-5 - Focussing on achieving our financial budget objectives and achieving an overall 'Good' rating from the CQC
- Month 6 - Responding to the initial announcements concerning the spread of a new Coronavirus (Covid- 19) to ensure the immediate wellbeing of our residents and acknowledging there would be an impact on our budget predictions
- Month 7 and ongoing - Continuing to ensure the wellbeing of residents, acknowledging that budget predictions would be severely impacted and working to ensure the long-term financial viability of the Charity.

Ahead of Government announcements, the decision was taken to close the Home to new residents as part of a package of measures to minimise the risk of Covid-19 entering the house. This decision was primarily driven by the need to protect our residents. It was also felt to be the most effective way to protect the finances of Watermoor House RCH.

As is confirmed by hindsight, an outbreak of Covid-19 in the Home would have been tragic for residents and their families. Additionally, the ensuing loss of income to Watermoor House could easily have escalated to the point where the future financial viability of the Charity would have been threatened. We were very aware that closing the Home to new residents would inevitably lead to a reduction in income. However, this would be in a way that could, to some extent, be predicted and managed from knowledge of resident mortality in previous years, not at the behest of Covid-19. It was also decided that in addition to PPE that could be sourced through government routes, we would build PPE stocks to ensure we were not faced with shortages. The decision to increase the ratio of permanent staff to residents, though not necessarily the total number of staff, in the interest of better infection control, also had cost implications, but again managed, not dictated by other events.

Thanks to the Herculean efforts of the whole team at Watermoor House and an element of luck (we believe that the team through their efforts helped make that luck) residents have so far remained Covid-19 free and all financial impacts have been in a managed environment.

Government support and the ability of the team to improve our CQC rating during such a demanding year will stand us in good stead as we slowly come out of rigours imposed due to Covid-19 and move back to normality.

The financial imperative is to survive the pandemic without the need to dig too deeply into our reserves. For the year ended 31 August 2020 we have increased free Net Current Assets by £53k. This is £22k greater than budget.

Without government Covid-19 support grants (£59k) free reserves would have been depleted by £6k, in line with our joint pandemic objectives of ensuring resident wellbeing whilst also ensuring sufficient reserves to enable the charity to fully recover once Covid-19 is under control.

This performance enables us to be confident that our current finances and future plans are such that we can go forward as a going concern.

Performance through to the end of 2021/22 is not expected to satisfy our revised criteria to add 3% of turnover in any one year to reserves. Current estimate for 2020/21 is breakeven (no movement on free reserves); 2021/22 2% of budgeted resident income. For 2022/23 we fully expect to achieve the 3% target.

Major impacts on financial performance over the next two years will be:

- Reduced occupancy until early 2022
- Increased marketing/PR to rebuild public confidence in the residential care sector

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

- Maintaining increased staff to resident ratios until Covid-19 is controlled and occupancy returns to budget levels (91%)
- We feel retaining and rewarding the current team will pay long-term dividends
- Additional non-staff costs related to Covid-19 - PPE, infection control measures, enabling safe visiting etc.

Investment policy and objectives

Under the Articles of Association, the Trustees/Directors have the power to invest in any way they think fit. The Trustees have considered the most appropriate policy for investing funds and have found that a balanced portfolio of specialised unit trusts, designed for the charity section, meets their requirements to generate both income and capital growth. The Trustees monitor returns and market changes but still consider this investment portfolio to be the most appropriate strategy for investing the Company's reserves. The balance at 31 August 2020 stood at £15,009.

Reserves policy

The Trustees have examined the requirement for free reserves, which are those unrestricted funds not invested in fixed assets or designated for specific purposes. The Trustees consider that, as a minimum, they should aim for free reserves of £200,000, although cash at bank and in hand plus investments and net of debtors and creditors now total £157,676 (an increase of £51,159). This target has not been achieved at 31 August 2020 and the Trustees will continue to take all prudent steps to improve this position.

The investment with COIF Charity Funds is recorded under fixed assets, as the intention is to hold this as a long-term reserve. However, as the funds are unrestricted and readily redeemable the value is included when assessing funds counting towards our free reserves target of £200,000.

During this period of recovery, it is felt that the decision to hold relatively low reserves with COIF and maintain the remaining surplus as cash deposits to support the recovery process is appropriate. As the recovery consolidates and work to secure the fabric of our building proceeds, more of this fund will be transferred to COIF or other appropriate long-term investment portfolio.

This level of reserves is needed for the following reasons:

- 1 to minimise the potential disruption, distress and expense which might be caused to the elderly and infirm residents of the Home in the event of:
 - the need for emergency repairs to the Home resulting in residents being moved away into temporary accommodation; and/or
 - the need for expensive repairs, maintenance and improvements to the Home, which is a Grade II listed property.
- 2 to meet the continuing costs of complying with new and proposed regulation and legislation, and
- 3 to enable the Company's activities to be expanded to meet increasing demands for its services.

FUTURE PLANS

Plans for the coming year will continue our focus on two main areas: continuous improvement in care delivery and improving financial sustainability. Improvements in care delivery will especially involve our work to develop skills throughout all levels of management and staff to identify trends across many aspects of behaviour and care - not the least, in dementia care - then to spot opportunities, implement and track improvement.

To improve financial sustainability, we will continue actions aimed to reduce the use of agency staff and to maintain high occupancy levels. To do this we are continuing to implement our programme of restructuring staff procedures to improve both efficiency and rates satisfaction of staff members in all departments hand in hand with maintaining and continuing to improve quality of life for our residents. We will continue our more active and targeted marketing activity to help drive occupancy rates.

Additionally, we will continue to work towards our longer term aims of rebuilding our reserves and a planned programme for maintenance of our historic building.

WATERMOOR HOUSE R C H

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is limited by guarantee, having no share capital. It is established under a Memorandum of Association, which sets out the objects and powers of the charitable company, and is governed under its Articles of Association, as amended by Special Resolutions dated 20 April 2016 and 11 August 2016 respectively.

Recruitment and appointment of new trustees

New Trustees with appropriate life and professional skills are appointed by the members to strengthen the Board for the future good of the Company. Every new Trustee must have an enhanced Disclosure and Barring Service check carried out before taking up appointment and undergoes an induction process.

Organisational structure

The charity is administered by the Board of Trustees all of whom give their time for no financial reward. There are no standing subcommittees but working committees of Trustees and Officers are appointed as the Board deems necessary on an ad hoc basis. A Home Manager is appointed by the Trustees to manage the day to day operations of the Company. This is supported by a Business and Marketing Manager. To facilitate effective operations they have delegated authority within terms of delegation approved by the Trustees for operational matters including finance, employment, purchasing, compliance with regulations and dealing with residents' needs and requirements.

Decisions concerning the pay and remuneration of key management personnel are made by the Board in conjunction with HR consultants by reference to the salaries paid by other similar local organisations. All pay rates are reviewed annually.

Induction and training of new trustees

New Trustees undergo a formal process for induction. It aims to familiarise the new member with their legal obligations as well as the workings of Watermoor House and its personnel. During this year the Board review, revised and substantially enhanced the trustee induction process.

They meet one-to-one with the Chair, other Board members and senior management and are taken on a tour of Watermoor House. They receive a pack of written materials including recent Board papers, the last Annual Report and documents from the CQC and Charity Commission. Through the induction process new trustees are informed of the general operational activities of the Home, financial reporting and the regulatory framework in which the Company operates.

The Company's Board members are updated on the legal requirements for Trustees on an ongoing basis by the Company's Officers.

Risk management

The charitable company carries out a formal annual risk review procedure and updates its continuity plan in which major risks are identified and brought to the attention of the Board, which then decides the appropriate course of action to avoid the risk, share or transfer it, mitigate or exploit it. These procedures have highlighted risks that might arise through non-compliance in the ever-changing regulatory regime, risks to residents' safety and financial risks. The Board has taken appropriate action in response to them.

With the added help of fundraising, it is the intention to create sufficient reserves in the future to further mitigate financial risks and this policy is reviewed regularly at Board meetings by reference to current management accounts. The Trustees believe that the current free reserves provide enough resources in the event of adverse conditions but are working to increase reserves to ensure additional long-term resilience for the Company.

Regular statutory inspections for Health and Safety, Food and Hygiene, Fire and by the Care Quality Commission are reported through the Officers to the Board and assist in highlighting operational risks.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Watermoor House R C H for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

WATERMOOR HOUSE R C H

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information of which the Charity's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the Charity's auditors are aware of that information.

AUDITOR

The auditors, Andorran Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Board meeting in April 2020. These financial statements were approved at the same meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 26 April 2021 and signed on its behalf by:



Dr S R Owen - Trustee

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WATERMOOR HOUSE R C H

Opinion

We have audited the financial statements of Watermoor House R C H (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Report of the Independent Auditor 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WATERMOOR HOUSE R C H**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditor 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditor.

Use of our report

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



Roger Downes FCA (Senior Statutory Auditor)
for and on behalf of Andorran Limited (Statutory Auditor)
6 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

Date: 06 May 2021

WATERMOOR HOUSE R C H

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	3,805	3,805	4,015
Charitable activities					
Residential Care	4	1,431,481	10,000	1,441,481	1,434,886
Investment income	3	780	-	780	590
Other income	5	58,865	-	58,865	-
Total		<u>1,491,126</u>	<u>13,805</u>	<u>1,504,931</u>	<u>1,439,491</u>
 EXPENDITURE ON					
Charitable activities					
Residential Care	6	1,429,499	908	1,430,407	1,386,964
Net gains on investments		-	-	-	86
NET INCOME		<u>61,627</u>	<u>12,897</u>	<u>74,524</u>	<u>52,613</u>
 RECONCILIATION OF FUNDS					
Total funds brought forward		863,481	5,925	869,406	816,793
TOTAL FUNDS CARRIED FORWARD		<u><u>925,108</u></u>	<u><u>18,822</u></u>	<u><u>943,930</u></u>	<u><u>869,406</u></u>

The notes form part of these financial statements

WATERMOOR HOUSE R C H

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
FIXED ASSETS					
Tangible assets	13	776,060	5,017	781,077	758,159
Investments	14	15,009	-	15,009	15,009
		<u>791,069</u>	<u>5,017</u>	<u>796,086</u>	<u>773,168</u>
CURRENT ASSETS					
Stocks	15	5,177	-	5,177	4,730
Debtors	16	26,635	-	26,635	18,617
Cash at bank and in hand		166,311	13,805	180,116	147,886
		<u>198,123</u>	<u>13,805</u>	<u>211,928</u>	<u>171,233</u>
CREDITORS					
Amounts falling due within one year	17	(64,084)	-	(64,084)	(74,995)
		<u>134,039</u>	<u>13,805</u>	<u>147,844</u>	<u>96,238</u>
NET CURRENT ASSETS					
		<u>925,108</u>	<u>18,822</u>	<u>943,930</u>	<u>869,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>925,108</u>	<u>18,822</u>	<u>943,930</u>	<u>869,406</u>
NET ASSETS					
		<u>925,108</u>	<u>18,822</u>	<u>943,930</u>	<u>869,406</u>
FUNDS					
	19			925,108	863,481
Unrestricted funds				18,822	5,925
Restricted funds					
TOTAL FUNDS					
				<u>943,930</u>	<u>869,406</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 April 2021 and were signed on its behalf by:



S R Owen - Trustee

WATERMOOR HOUSE R C H

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	31.8.20 £	31.8.19 £
Cash flows from operating activities			
Cash generated from operations	1	67,047	55,626
Net cash provided by operating activities		<u>67,047</u>	<u>55,626</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(35,597)	(10,671)
Interest received		293	103
Dividends received		487	487
Net cash used in investing activities		<u>(34,817)</u>	<u>(10,081)</u>
Change in cash and cash equivalents in the reporting period			
		32,230	45,545
Cash and cash equivalents at the beginning of the reporting period			
		<u>147,886</u>	<u>102,341</u>
Cash and cash equivalents at the end of the reporting period			
		<u><u>180,116</u></u>	<u><u>147,886</u></u>

The notes form part of these financial statements

WATERMOOR HOUSE R C H

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.20	31.8.19
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	74,524	52,613
Adjustments for:		
Depreciation charges	11,742	8,951
Losses on investments	-	(86)
Loss on disposal of fixed assets	937	9,011
Interest received	(293)	(103)
Dividends received	(487)	(487)
Increase in stocks	(447)	(1,997)
(Increase)/decrease in debtors	(8,018)	14,425
Decrease in creditors	(10,911)	(26,701)
	<u>67,047</u>	<u>55,626</u>
Net cash provided by operations	<u>67,047</u>	<u>55,626</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19	Cash flow	At 31.8.20
	£	£	£
Net cash			
Cash at bank and in hand	147,886	32,230	180,116
	<u>147,886</u>	<u>32,230</u>	<u>180,116</u>
Total	<u>147,886</u>	<u>32,230</u>	<u>180,116</u>
	<u>147,886</u>	<u>32,230</u>	<u>180,116</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going Concern

Given the current situation and pressures around the Covid pandemic, the directors have looked forward eighteen months from March 2021 in assessing the future viability of the charitable company as a going concern. For the year being reported 2019/20, the second half of which was heavily affected by the pandemic, reserves increased by £51k. The impact of Covid on financial performance will, we believe, continue throughout the financial year 2020/21 and beyond. We are confident that performance to date due to actions already taken and the measures we will be taking during the remainder of the year will enable us to maintain reserves at their 31 August 2020 level for 31 August 2021.

As we move beyond August 2021, we are confident that lessons learned thus far and the success in keeping Watermoor House residents free of Covid will enable us to once again return to target occupancy levels, maintain tight control over costs and increase reserves year on year by circa £30k at 31 August 2022.

For 2022/23 we have every confidence that we will achieve our reserves policy objective of increasing reserves by 3% of resident income each year. Reporting and control procedures have been significantly enhanced to ensure not only that these objectives are achieved, but also to ensure that any slippage is identified at the earliest point to enable corrective action to be taken. As a result of our evaluation of future performance and the actions being taken, we are confident in the ongoing success of the charitable company as a going concern and have prepared the financial statements on that basis.

Income

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

Donations and legacies are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. In accordance with this policy, legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Investment income is included in the year in which it is receivable.

Rental income from the letting of the non-investment property is payable in advance per calendar month. Although 'The Lodge' is let on a short term lease for rental income, the primary purpose of the property is to support the charitable activities of the charitable company and the intention that it is kept available for a supported living house. The Lodge is located within the grounds of Watermoor House and has no separate legal title to that of Watermoor House filed with Land Registry.

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 cost 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	- 10% on reducing balance
Minibus	- 25% on reducing balance

Depreciation has not been provided on the freehold buildings as the Trustees conduct an annual review of the local property market for comparable buildings and consider that the residual value will exceed the book value. No depreciation is provided on freehold land.

Tangible fixed assets are capitalised when they are initially acquired by the Charity. Subsequent expenditure on tangible fixed assets is written off to the Statement of Financial Activities unless it replaces or restores a specifically-identified component within the fixed asset or enhances the asset. Assets individually costing under £1,000 are written off to the Statement of Financial Activities.

Stocks

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

Taxation

The Charity benefits from rates relief and is exempt from corporation tax on its charitable activities. It is not, however, exempt from VAT and irrecoverable VAT is included in the cost of those items to which it relates.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.8.20	31.8.19
	£	£
Donations	3,805	4,015
	<u> </u>	<u> </u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

3.	INVESTMENT INCOME	31.8.20	31.8.19
		£	£
	Income from unlisted investments	487	487
	Deposit account interest	293	103
		<u>780</u>	<u>590</u>

4.	INCOME FROM CHARITABLE ACTIVITIES	31.8.20	31.8.19
		£	£
	Received from residents	1,161,333	1,083,713
	Received from local authority	261,788	343,887
	Income from Lodge	8,360	7,286
	Grants	10,000	-
		<u>1,441,481</u>	<u>1,434,886</u>

Funding from the Local Authority is received in respect to those residents who have satisfied the relevant means tests.

Grants received, included in the above, are as follows:

	31.8.20	31.8.19
	£	£
Big Lottery	10,000	-
	<u>10,000</u>	<u>-</u>

5.	OTHER INCOME	31.8.20	31.8.19
		£	£
	Government grants	58,865	-
		<u>58,865</u>	<u>-</u>
		31.8.20	31.8.19
		£	£
	Infection Control Grant	38,100	-
	Coronavirus Job Retention Scheme	13,279	-
	Coronavirus Community Support Fund	5,472	-
	Coronavirus Statutory Sick Pay Rebate Scheme	2,014	-
		<u>58,865</u>	<u>-</u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Residential Care	1,423,483	6,924	1,430,407

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.20 £	31.8.19 £
Staff costs	1,095,195	1,055,955
Subscriptions and registration fees	5,779	3,975
Light and heat	31,636	33,865
Postage, stationery, advertising, telephone and sundries	56,722	57,559
Equipment rental and maintenance	35,226	39,353
Other house expenses	41,852	32,090
Food	82,907	77,336
Property maintenance & repairs	49,107	46,735
Other property expenses	9,068	11,151
Accountancy & payroll	3,300	2,868
Depreciation	11,742	8,951
Loss on sale of assets	937	9,011
	<u>1,423,483</u>	<u>1,378,837</u>

8. SUPPORT COSTS

	31.8.20 Residential Care £	31.8.19 Total activities £	Governance costs £
Residential Care	6,924	-	6,924

Support costs, included in the above, are as follows:

	31.8.20 Residential Care £	31.8.19 Total activities £
Auditors' remuneration	6,924	5,880
Legal fees	-	2,247
	<u>6,924</u>	<u>8,127</u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.20	31.8.19
	£	£
Auditors' remuneration	6,924	5,880
Depreciation - owned assets	11,742	8,951
Deficit on disposal of fixed assets	937	9,011
	<u> </u>	<u> </u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

11. STAFF COSTS

	31.8.20	31.8.19
	£	£
Wages and salaries	1,008,258	972,368
Social security costs	65,344	65,455
Other pension costs	21,593	18,132
	<u> </u>	<u> </u>
	<u>1,095,195</u>	<u>1,055,955</u>

The average monthly number of employees during the year was as follows:

	31.8.20	31.8.19
Administration	5	5
Support	48	49
	<u> </u>	<u> </u>
	<u>53</u>	<u>54</u>

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

The key management personnel of the charity comprise the Home Manager, Deputy Home Manager, Business and Marketing Manager, Finance Officer and Administrator. The total cost to the charity of the key management personnel was £136,443 (2019: £126,279).

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	4,015	-	4,015
Charitable activities			
Residential Care	1,434,886	-	1,434,886
Investment income	590	-	590
Total	<u>1,439,491</u>	<u>-</u>	<u>1,439,491</u>
EXPENDITURE ON			
Charitable activities			
Residential Care	1,383,911	3,053	1,386,964
Net gains on investments	86	-	86
NET INCOME/(EXPENDITURE)	<u>55,666</u>	<u>(3,053)</u>	<u>52,613</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>807,815</u>	<u>8,978</u>	<u>816,793</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>863,481</u></u>	<u><u>5,925</u></u>	<u><u>869,406</u></u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Linen £	Fixtures, fittings & equipment £	Minibus £	Totals £
COST					
At 1 September 2019	675,393	1,416	201,712	13,500	892,021
Additions	-	-	35,597	-	35,597
Disposals	-	(1,416)	(3,057)	-	(4,473)
At 31 August 2020	<u>675,393</u>	<u>-</u>	<u>234,252</u>	<u>13,500</u>	<u>923,145</u>
DEPRECIATION					
At 1 September 2019	-	1,416	118,946	13,500	133,862
Charge for year	-	-	11,742	-	11,742
Eliminated on disposal	-	(1,416)	(2,120)	-	(3,536)
At 31 August 2020	<u>-</u>	<u>-</u>	<u>128,568</u>	<u>13,500</u>	<u>142,068</u>
NET BOOK VALUE					
At 31 August 2020	<u>675,393</u>	<u>-</u>	<u>105,684</u>	<u>-</u>	<u>781,077</u>
At 31 August 2019	<u>675,393</u>	<u>-</u>	<u>82,766</u>	<u>-</u>	<u>758,159</u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

13. TANGIBLE FIXED ASSETS - continued

The Board have considered the value of the property at 31 August 2020. Although no formal, external professional valuation has been obtained, they have conducted a property benchmarking pricing exercise by reviewing comparable properties in the local area. Following that internal review, the Board are satisfied that the residual value of the freehold property exceeds the above cost and accordingly no depreciation charge is deemed necessary. The Board will conduct this annual review at the end of every subsequent reporting period.

14. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 September 2019 and 31 August 2020	15,009
NET BOOK VALUE	
At 31 August 2020	15,009
At 31 August 2019	15,009

There were no investment assets outside the UK.

15. STOCKS

	31.8.20 £	31.8.19 £
Stocks	5,177	4,730

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20 £	31.8.19 £
Trade debtors	5,935	9,827
Other debtors	7,286	-
Prepayments and accrued income	13,414	8,790
	<u>26,635</u>	<u>18,617</u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.20	31.8.19
	£	£
Creditors for operating activities	27,788	29,566
Social security and other taxes	24,616	24,921
Other creditors	-	10,000
Accrued expenses	11,680	10,508
	<u>64,084</u>	<u>74,995</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.20	31.8.19
	£	£
Within one year	8,788	11,428
Between one and five years	11,050	20,101
	<u>19,838</u>	<u>31,529</u>

19. MOVEMENT IN FUNDS

	At 1.9.19	Net movement in funds	At 31.8.20
	£	£	£
Unrestricted funds			
General fund	798,282	87,409	885,691
Major projects and improvement	65,199	(25,782)	39,417
	<u>863,481</u>	<u>61,627</u>	<u>925,108</u>
Restricted funds			
Dining room renovations	5,925	(908)	5,017
Minibus	-	13,805	13,805
	<u>5,925</u>	<u>12,897</u>	<u>18,822</u>
TOTAL FUNDS	<u>869,406</u>	<u>74,524</u>	<u>943,930</u>

WATERMOOR HOUSE R C H

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020**

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,491,126	(1,403,717)	87,409
Major projects and improvement	-	(25,782)	(25,782)
	<u>1,491,126</u>	<u>(1,429,499)</u>	<u>61,627</u>
Restricted funds			
Dining room renovations	-	(908)	(908)
Minibus	13,805	-	13,805
	<u>13,805</u>	<u>(908)</u>	<u>12,897</u>
TOTAL FUNDS	<u><u>1,504,931</u></u>	<u><u>(1,430,407)</u></u>	<u><u>74,524</u></u>

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
Unrestricted funds				
General fund	720,605	77,656	21	798,282
Major projects and improvement	87,210	(22,011)	-	65,199
Legacy from former resident	-	21	(21)	-
	<u>807,815</u>	<u>55,666</u>	<u>-</u>	<u>863,481</u>
Restricted funds				
Dining room renovations	8,978	(3,053)	-	5,925
TOTAL FUNDS	<u><u>816,793</u></u>	<u><u>52,613</u></u>	<u><u>-</u></u>	<u><u>869,406</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,438,604	(1,361,034)	86	77,656
Major projects and improvement	-	(22,011)	-	(22,011)
Legacy from former resident	887	(866)	-	21
	<u>1,439,491</u>	<u>(1,383,911)</u>	<u>86</u>	<u>55,666</u>
Restricted funds				
Dining room renovations	-	(3,053)	-	(3,053)
TOTAL FUNDS	<u><u>1,439,491</u></u>	<u><u>(1,386,964)</u></u>	<u><u>86</u></u>	<u><u>52,613</u></u>

WATERMOOR HOUSE R C H

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2020

19. MOVEMENT IN FUNDS - continued

Purposes of designated fund - Major projects and improvement

Donation received from UBS DAF I & S Owen Charitable Foundation to be used primarily for major projects, and improvements to the fabric of the building and to help ensure the ongoing viability of the Charity, as opposed to day-to-day running costs.

Purposes of designated fund - Legacy from former resident

Donation received from a former resident via her Estate distribution. The trustees agreed to ringfence this money and utilise for a specific purpose. Subsequently the funds were used to purchase a new television for the residents lounge. A small residual balance remained and was transferred to the General Fund in the comparative period.

Purposes of restricted fund - Dining room renovations

Grant awarded by Mrs K.D. Winstone Trust to provide funding for the renovation of the residents dining room and the patio garden adjacent to the dining room.

Purposes of restricted fund - Minibus

Funding received from various donors and grant providers including Big Lottery towards the cost of a new Minibus for The House.

20. CONTINGENT LIABILITIES

Various funders retain the right to claw back grants should the use of funds not be in accordance with the terms of the grant. In the opinion of the trustees no such liability exists at the year-end.

21. RELATED PARTY DISCLOSURES

The £10,000 loan owed to Dr S R Owen made in March 2016 and included in Other Creditors at 31 August 2019, was repaid in full during the year.