

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**

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FOR THE YEAR ENDED 31 AUGUST 2023**

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**WATERMOOR HOUSE R C H**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2023**

<b>TRUSTEES</b>	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
<b>REGISTERED OFFICE</b>	Watermoor House Watermoor Road Cirencester Gloucestershire GL7 1JR
<b>REGISTERED COMPANY NUMBER</b>	09327637 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1168947
<b>AUDITOR</b>	Andorran Limited (Statutory Auditor) 6 Manor Park Business Centre Mackenzie Way Cheltenham Gloucestershire GL51 9TX
<b>BANKERS</b>	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Although Covid restrictions were withdrawn from the general population in this year, the long shadow of its effect continued to impact Watermoor House throughout the year.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](http://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 £
<b>INCOME AND ENDOWMENTS FROM</b>					
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
<b>Total</b>		<u>1,333,007</u>	<u>-</u>	<u>1,333,007</u>	<u>1,364,486</u>
<b>EXPENDITURE ON</b>					
Charitable activities	7				
Residential Care		<u>1,636,608</u>	<u>-</u>	<u>1,636,608</u>	<u>1,369,946</u>
<b>NET INCOME/(EXPENDITURE)</b>		(303,601)	-	(303,601)	(5,460)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		1,112,053	4,064	1,116,117	1,121,577
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>808,452</u>	<u>4,064</u>	<u>812,516</u>	<u>1,116,117</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 £
<b>FIXED ASSETS</b>					
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>
<b>CURRENT ASSETS</b>					
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>
<b>CREDITORS</b>					
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>
<b>NET CURRENT ASSETS</b>					
		<u>4,118</u>	<u>4,064</u>	<u>8,182</u>	<u>316,646</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>808,452</u>	<u>4,064</u>	<u>812,516</u>	<u>1,116,117</u>
<b>NET ASSETS</b>		<u>808,452</u>	<u>4,064</u>	<u>812,516</u>	<u>1,116,117</u>
<b>FUNDS</b>	20				
Unrestricted funds				808,452	1,112,053
Restricted funds				4,064	4,064
<b>TOTAL FUNDS</b>				<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 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(191,564)	(25,482)
Net cash used in operating activities		(191,564)	(25,482)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(30,831)	(2,016)
Interest received		1,469	1
Dividends received		230	395
Net cash used in investing activities		(29,132)	(1,620)
<b>Change in cash and cash equivalents in the reporting period</b>		(220,696)	(27,102)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		306,434	333,536
<b>Cash and cash equivalents at the end of the reporting period</b>		85,738	306,434

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>

The notes form part of these financial statements

## 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
--------------------------------	---------------------------

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	<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

	Activity	31.8.23	31.8.22
		£	£
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	<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	<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	<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 £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	1,111	-	1,111
<b>Charitable activities</b>			
Residential Care	1,297,937	-	1,297,937
Investment income	396	-	396
Other income	35,310	29,732	65,042
<b>Total</b>	<u>1,334,754</u>	<u>29,732</u>	<u>1,364,486</u>
<b>EXPENDITURE ON</b>			
Charitable activities			
Residential Care	<u>1,320,577</u>	<u>49,369</u>	<u>1,369,946</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>14,177</u>	<u>(19,637)</u>	<u>(5,460)</u>
Transfers between funds	(3,597)	3,597	-
<b>Net movement in funds</b>	<u>10,580</u>	<u>(16,040)</u>	<u>(5,460)</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>1,101,473</u>	<u>20,104</u>	<u>1,121,577</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<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 £
<b>COST</b>				
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/>
<b>DEPRECIATION</b>				
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/>
<b>NET BOOK VALUE</b>				
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 £
<b>MARKET VALUE</b>	
At 1 September 2022 and 31 August 2023	15,009
	<hr/>
<b>NET BOOK VALUE</b>	
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	Net movement	At
		£	in funds	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>
	TOTAL FUNDS			

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)
<b>TOTAL FUNDS</b>	<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>
<b>TOTAL FUNDS</b>	<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>
<b>TOTAL FUNDS</b>	<u>1,364,486</u>	<u>(1,369,946)</u>	<u>(5,460)</u>

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.