

# **Marillac Neurological Care Centre**

## **Annual Report and Financial Statements**

31 March 2022

Charity Registration Number 1184495

Company Limited by Guarantee

Registration Number 12085591 (England and Wales)

## Contents

### Reports

Reference and administrative details of the charitable company, its trustees and advisers	2
Trustees' report	3
Independent auditor's report	14

### Financial Statements

Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Principal accounting policies	23
Notes to the financial statements	28

## Reference and administrative details of the charitable company, its trustees and advisers

<b>Trustees</b>	Peter Nicol Sister Kathleen Fox Ian Restall Barry Hawkins Christopher Chandler Dr Michael Apps Sister Mary Timmons Rev Abraham Lawrence Catherine Woodhead (appointed 20 June 2022)
<b>Company Secretary and Director of Finance</b>	Beverley Hill
<b>CEO</b>	Paul Dixon
<b>Director of Nursing</b>	Precious Mazengera
<b>Director of Estates</b>	David Thorpe
<b>Director of Therapies</b>	Suzana Scheele De Moraes
<b>Director of Admissions and Marketing</b>	Lyndsay Vincent (appointed 1 April 2022)
<b>Registered Office</b>	Eagle Way Warley Brentwood Essex CM13 3BL
Telephone	01277 220276
Facsimile	01277 204060
Web site	<a href="http://www.marillac.co.uk">www.marillac.co.uk</a>

## Reference and administrative details of the charitable company, its trustees and advisers

**Company Registration Number** 12085591 (England and Wales)

**Charity Registration Number** 1184495

**Auditors** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Principal Bankers** HSBC  
91 High Street  
Brentwood  
Essex  
CM14 4RU

The trustees present their report together with the financial statements of Marillac Neurological Care Centre (MNCC) for the year ended 31 March 2022. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 27 and comply with the charitable company's memorandum and articles of association, applicable laws and applicable Financial Reporting Standards (United Kingdom Generally Accepted Accounting Practice), including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Constitution and background**

MNCC was incorporated on 4 July 2019 and is a company limited by guarantee (Company Registration No. 12085591 (England and Wales)) and a registered charity (Charity Registration No. 1184495). The charitable company is governed by its memorandum and articles of association.

DCSVP Services is the sole member of the charitable company, and thus its parent entity. DCSVP Services is a registered charity (Charity Registration Number 1149326) and a company limited by guarantee (Company Registration Number 07638065 (England and Wales)), set up by the Daughters of Charity of St Vincent de Paul (the Daughters) to safeguard the Vincentian ethos in various projects such as Marillac Neurological Care Centre.

Until midnight on 31 March 2021, Marillac Neurological Care Centre was part of a registered charity - Daughters of Charity of St Vincent de Paul Charitable Trust, Charity Registration Number 236803 (England and Wales) and Charity Registration Number SCO39155 (Scotland).

On 1 April 2021, in accordance with a legal transfer of undertakings agreement, the activities, assets and liabilities of MNCC were transferred as a going concern to Marillac Neurological Care Centre, a charitable company registered in England and Wales (Company Registration No 12085591) and registered with the Charity Commission (Charity Registration No. 1184495). As part of the transfer, the trustees of the Daughters of Charity of St Vincent de Paul Charitable Trust agreed to transfer an additional £600,000 of the that charity's funds to the new charitable company to ensure that it commenced activity with free reserves in line with its reserves policy.

### **Objectives and aims**

Marillac Neurological Care Centre, based in Brentwood, Essex, provides a fifty-two place Care Centre called The Marillac, which is registered with the Care Quality Commission (CQC) for the provision of nursing and personal care and the treatment of disease, disorder or injury.

We provide services to adults with acquired brain injury, degenerative neurological disorders and complex physical disabilities. We have three units comprising two 16 bed units and a third unit comprising 17 beds and three bungalows. All three units provide specialist nursing and rehabilitation services to clients with neuro based long term conditions including traumatic and hypoxic brain injury and chronic medical conditions such as multiple sclerosis and motor neurone disease and other neuro based conditions presenting as complex care.

### **Our mission**

Our aim is to provide a centre of excellence for adults with neurological and complex physical disabilities and to provide care that is:

- ♦ Centred on the needs of each person
- ♦ Promotes optimum independence
- ♦ Maximises quality of life and choices
- ♦ Encourages respect for everyone

In formulating these aims, the trustees and management have given careful consideration to the Charity Commission's general guidance on public benefit.

### **Progress during the year**

#### **Covid-19**

The Marillac Neurological Care Centre has experienced Covid-19 first hand. The effects of Covid-19 are wide ranging. From the human level, people have been infected and as residents been part of an outbreak which meant 28 days of isolation and no visitors. Staff with a positive screen would have to isolate for 10 days and receive basic pay.

From the organisation level the cost of Personal Protective Equipment (PPE) with no assistance has been hard to bear. The service managed to maintain safe levels of PPE and ensure the safety of staff as much as humanly possible.

As a business we survived the enforced lockdowns, enforced isolation and increased cost at a time that staffing became a huge issue. We experienced forced termination of employment where the government insisted on staff being double vaccinated by law only to rescind when the NHS complained.

### **Progress during the year** (continued)

#### ***Covid-19*** (continued)

We are proud to have not lost anyone during Covid at a time where lots of services were not as fortunate. We are proud of our staff coming to work every day, often staying on longer to ensure that the units were safe.

#### ***Development of facilities***

Our facilities have been improved by investment and management. Our Director of Estates has implemented a process of repair or replacement for items of risk and has ensured that the estate is fit for purpose. We have in the past not taken a proactive approach to maintenance but we have altered this year. A condition survey was procured which highlighted the lack of investment. In the past 12 months we have replaced 2 walls that were assessed as a risk. We have replaced 30-45 % of the flat roofs (previously felt now fibreglass) now under 20 year guarantee. We have commenced the structural work on the existing planning permission for the generator.

The site is now in very good condition with a weekly walk around by the Director of Estates and his team identifying areas of improvement and potential long term cost savings. This is exemplified by the roll out of LED lighting on the units which was completed in house.

A rolling programme of redecoration and refurbishment has begun including a complete refurbishment of the rehabilitation bungalows and the redesign and refitting of wheelchair friendly bathroom doors. We have created additional office space for the Senior Management Team (SMT) and Head of Department. Offices on the 1<sup>st</sup> floor are air conditioned.

External redecoration has taken place with street lights repainted and LEDs replaced. The front façade was repainted and car parking lines have been replaced. A new Electric Vehicle (EV) charging point has been installed to help our green agenda.

#### ***Development of services***

Our services have an outstanding reputation within the Healthcare community which has led to very high occupancy levels of 95.94% compared to the NHS occupancy of 92% (Nuffield Trust: <https://www.nuffieldtrust.org.uk/resource/chart-of-the-week-are-a-greater-proportion-of-nhs-hospital-beds-being-occupied-this-winter>)

The complexity of our services is recognised by our purchasers as being extremely high. At one point we had more people using enteral feeding than the local NHS Trust.

Our services continue to develop in line with service need. We analyse our referrals and conduct a paper review on all referrals. We host a bed management meeting with all clinical parties represented to ensure that we are meeting the needs of the patients that are referred.

**Progress during the year** (continued)

***Development of services*** (continued)

Our services, in discussion with our purchasers, continue to provide the services required by the NHS. When we have received feedback one comment received was to expand the service.

***Quality of care***

We have strengthened our management of quality of care with a new governance arrangement. Becoming independent allowed us to review our governance and to create a new system. We have three sub-groups to the Board of Trustees - all have Trustee and SMT representation. The sub-groups are Finance, Clinical and Audit with a fourth under planning stage.

The Audit group conducts audits on all areas and specifically reviews and structures the audits received from the clinical groups looking at any trends and feeding this back to the Board.

The Finance group scrutinises the monthly accounts and advises the Board of any areas of concern. The group has delegated authority as per a scheme of delegation to authorise spends.

The Clinical group scrutinises all accident and incident forms and discusses any themes. These are pertinent to the quality of care that we provide. We also review all safeguarding incidents and review the action plans of any concerns that have been identified. This ensures that we are being proactive in learning lessons and sharing areas of concern with all clinical colleagues.

Our quality of care has been subject to the same concern faced by the NHS, Independent and Charity Healthcare providers regarding the shortage of staff. Our staffing manager has worked tirelessly to ensure that safe staffing levels are maintained which is credit to the whole staff group that they have ensured the unit has been maintained.

***Safeguarding***

We have experienced seven safeguarding alerts which have all been investigated and our investigations have been submitted to the Local Authority (LA). There has been no attendance on site from the LA to look into any of the safeguarding alerts that we have raised or that have been raised against us.

The safeguarding alerts are serious events that have led us or other providers to raise concerns. We have completed our lessons learned where required and shared best practice guidelines with all services where needed.

Our safeguarding alerts that we would have expected to be closed range from 11 months old through to 6 months. We are awaiting closure and have not been requested to submit further information.



**Progress during the year** (continued)

***Inspections***

We have received no inspection from the CQC to our services this year. We were anticipating an inspection as we are a new organisation and, as such, would normally be inspected within the first year.

***Vincentian Values training***

Due to Covid-19 our Values training has been difficult to manage. We have managed to ensure that our new Trustees have received the training. We are currently discussing ways of implementing Venetian Values Training in the future.

***Pastoral care***

We have celebrated our Pastoral Leader Sister Catherine completing her time at Marillac Neurological Care Centre. She has provided pastoral support to residents, families and staff over the length of her stay and has always been on hand to help and assist. Her service to MNCC cannot be underestimated and she goes with our fondest and best wishes to somewhere else that needs her.

We have a new Pastoral Lead who starts in 2022, Sister Rosalie, who we will introduce next year.

**The way forward**

The Marillac Neurological Care Centre has experienced it's first full year as an independent charity. The outcomes were positive financially and the organisation is going in the correct direction.

Our occupancy remains strong and communication with purchasers indicates that we are providing the service that is needed in the healthcare environment. We will continue to monitor our position carefully to ensure that if the market forces begin to alter then we have addressed our service offering accordingly.

Our governance has become stronger and our trustee involvement in our monthly governance meetings has ensured that we as the provider are operating with honesty and integrity.

**Financial report for the year**

A summary of the year's results can be found on page 19 of the attached financial statements.

In the year to 31 March 2022 income amounted to £6,900,584 (2021: £nil) excluding the transfer of net assets amounting to £1,474,547 from Daughters of Charity of St Vincent de Paul Charitable Trust, with expenditure being £6,225,207 (2021: £nil).

Occupancy in the year remained high at 95.94%.

**Financial report for the year** (continued)

***Reserves and financial position***

The trustees and Senior Management Team of Marillac Neurological Care Centre have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, or otherwise committed. The trustees and Senior Management Team consider that, given the nature of the work undertaken at Marillac Neurological Care Centre, the level of free reserves should be equal to between 3 and 6 months' recurring expenditure.

The trustees and Senior Management Team are of the opinion that this level of reserves should provide sufficient flexibility to cover temporary shortfalls in income due, for example, to falls in occupancy levels.

Total funds at 31 March 2022 amounted to £2,149,924 (2021: £nil).

The tangible fixed assets fund of £499,539 (2021: £nil) represents the net book value of Marillac Neurological Care Centre's tangible fixed assets after deducting the finance lease obligations in respect to furniture and equipment. The assets are used in the day-to-day work and would not be realisable in order to meet expenditure and future contingencies.

Restricted funds comprise monies given for specific purposes and amounted to £21,395 (2021: £nil).

General funds, or free reserves, at 31 March 2022 totalled £1,628,990 (2021: £nil) representing 3.14 months and hence were in line with the reserves policy.

The financial position of MNCC at 31 March 2022 means that the trustees of MNCC are of the view that it will have sufficient resources to enable it to remain a going concern despite the continuing challenges of Covid-19 and the macroeconomic climate.

***Custodian funds***

As at 31 March 2022 Marillac Neurological Care Centre held funds on behalf of residents totalling £18,801 (2021: £nil) as Custodian Trustee. The funds are held in a bank account separate from Marillac Neurological Care Centre's own funds. The funds are not included in these financial statements and they are segregated clearly from those belonging to Marillac Neurological Care Centre itself at all times.

### **Governance and organisation**

The trustees constitute directors of the charitable company for the purposes of company legislation. The trustees in office at the time of approval of this report are:

Peter Nicol  
Sister Kathleen Fox  
Ian Restall  
Barry Hawkins  
Christopher Chandler  
Dr Michael Apps  
Sister Mary Timmons  
Rev Abraham Lawrence  
Catherine Woodhead

A range of governance and management committees, including the Senior Management Team, Heads of Departments, and Health and Safety Committee are in place to ensure effective leadership and governance of the organisation and its activities. An Annual Development Plan summarises key development objectives for each department within Marillac Neurological Care Centre.

Marillac Neurological Care Centre has 3 units, in which 52 residents live. Residents' care is organised through an established nursing structure of qualified registered nurses, led by a unit nurse manager and co-ordinated by staff nurses. The registered nurses have appropriate training and they are supported by a team of health care support workers and care assistants who provide personal care and attention to the residents. There is a multi-disciplinary therapy department which includes occupational therapists, speech and language therapists and physiotherapists. The clinical and therapy teams work very closely together, enhancing and striving to maintain residents' optimum potential, through coordinating a range of therapeutic activities, exercise or positioning by improving seating, coordinating speech therapy and other therapies as required. Social care is provided by lifestyle and activity coordinators who work closely with the nursing and therapy team.

### ***Key management personnel***

The trustees consider that they, together with the CEO, Director of Finance, Director of Nursing, Director of Therapies, Director of Estates and Director of Admissions and Marketing comprise the key management of the charitable company in charge of directing and controlling, running and operating the charitable company on a day to day basis.

The remuneration of key management personnel is set by the trustees in conjunction with a consultancy firm, having regard to industry benchmarks.

**Governance and organisation** (continued)

***Statement of trustees' responsibilities***

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Annual Report and 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 income and expenditure of the charitable company for that year.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the trustees confirms that:

- ♦ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## **Governance and organisation** (continued)

### **Statement of trustees' responsibilities** (continued)

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Risk management**

In line with the requirement for the trustees to undertake a risk assessment exercise and report on the same in their annual report, the Senior Management Team has looked at the risks Marillac Neurological Care Centre currently faces and has reviewed the measures already in place, or needing to be put in place, to deal with them. We have identified five main areas where risk may occur:

- ◆ Governance and Management;
- ◆ Operational;
- ◆ Health and Safety;
- ◆ Financial;
- ◆ Environmental, Regulatory, and Reputational Factors.

**Governance and Management** covers the risk of Marillac Neurological Care Centre suffering from a lack of direction, management capacity and capability, risk management and governance arrangements.

**Operational** looks at the risk inherent in Marillac Neurological Care Centre's activities including staffing, training, relevant expertise, equipment, building suitability and poor maintenance, shortcomings in the services provided etc.

**Health and Safety** risks include fire, accidents, inadequately maintained equipment, security, food hygiene and substances hazardous to health.

**Financial** risks include those arising as a result of poor budgetary control, insufficient referrals, inability to secure appropriate charges, poor accounting, inappropriate investment policies, financial risks from the development of new services, and changes to the commissioning process with the introduction of NHS England commissioning via Clinical Commissioning Groups.

**Environmental, Regulatory and Reputational Factors** cover failure to comply with regulatory requirements, adverse external events, and failure to keep up with changes in legislation, changes in the way services are commissioned from us, and possible damage to Marillac Neurological Care Centre's reputation.

**Risk management** (continued)

Having assessed the major risks to which Marillac Neurological Care Centre is exposed, the Senior Management Team believes that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by Marillac Neurological Care Centre, it has in place systems to manage those risks.

Key risks:

- ◆ There is a shortage of qualified nurses nationally and this has had implications for Marillac Neurological Care Centre. We have had to rely on agency staff to safely manage Marillac Neurological Care Centre. This comes with a much higher cost and has affected financial balance. We are mitigating this by having a full and robust recruitment and retention strategy that has been successful as we have made some appointments. We are now in the process of recruiting a bank of qualified nurses. We have reduced our reliance on agency staffing by bringing control of booking staff under one person rather than each unit. This has resulted in a more efficient use of resources and hence less reliance on high-cost agency staff.
- ◆ Clinical risk management system – As hospitals seek to prevent delayed discharges, services such as Marillac Neurological Care Centre are under pressure to expand their abilities to care for more complex residents. To ensure our clinical risk management system is effective, we have the following procedures in place:
  - ◇ Incidents and complaints are reviewed by the Head of Care and other members of the senior team. Learning from these is implemented.
  - ◇ Health and safety risks are reviewed by the Health and Safety Committee. Learning from these is implemented.
  - ◇ Clinical audits check compliance in key areas of risk.
  - ◇ A clinical subgroup formed by Members of the Board of Trustees and SMT including the CEO review all incidents and accidents as well as safeguarding alerts to discuss any trends and put preventative actions in place.
  - ◇ Resident and family meetings and surveys are conducted.
  - ◇ Safety alerts are actioned.
  - ◇ Reports are made to the Care Quality Commission (CQC) and Essex Safeguarding.
  - ◇ Policies and procedures are in place.
  - ◇ Mandatory training is given to staff relating to key risks. Other training is available as required in other areas.
  - ◇ A risk register is maintained and risk assessments are completed as necessary.
  - ◇ Equipment is regularly checked, serviced and audited.
  - ◇ The Health and Safety Committee monitors and oversees implementation of health and safety policies.

**Risk management** (continued)

- ◆ Robust governance arrangements – there is a risk that governance arrangements may not be fit for purpose to effectively run Marillac Neurological Care Centre. We mitigate this risk by having a Health and Safety Committee, monthly Heads of Departments, senior management, and Health and Safety meetings, and monthly contact between the trustees and CEO.

**Fundraising policy**

MNCC aims to achieve best practice in the way in which it communicates with donors and other supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. It applies best practice to protect supporters' data and never sells data, it never swaps data and ensures that communication preferences can be changed at any time. MNCC does not employ the services of Professional Fundraisers. MNCC undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2022, MNCC received no complaints about its fundraising activities (2021 – none).

**Volunteers**

Marillac Neurological Care Centre believes in enhancing the lives of our residents. In order to provide as much enhancement as possible we make use of volunteers for various activities. During the Covid-19 pandemic we have been unable to invite such persons on to the site but since the year end have started to welcome back this valuable resource.

**Employees**

Marillac Neurological Care Centre strives to be an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

**Our thanks**

We express our thanks:

- ◆ To our residents who give us the privilege of caring for them in their time of need.
- ◆ To the staff whose kindness and commitment is evident in the care they provide.
- ◆ To the trustees of the Daughters of Charity of St Vincent de Paul Charitable Trust, for your unstinting support and generosity in granting us independence.

The trustees' report, which constitutes a directors' report for the purposes of company legislation, has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by: Peter Nicol

Date of approval: 25/10/22

**Independent auditor's report to the member of Marillac Neurological Care Centre**

**Opinion**

We have audited the financial statements of Marillac Neurological Care Centre for the year ended 31 March 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 affairs of Marillac Neurological Care Centre as at 31 March 2022 and of 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 financial statements section of our report. We are independent of the foundation 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 ability of Marillac Neurological Care Centre 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 and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 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 trustees' responsibilities statement, 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.

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following laws and frameworks were most significant: The Companies Act 2006, the Charities Act 2011, The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (SORP (FRS102)), the Care Standards Act 2000 and safeguarding regulations.

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ We obtained an understanding of how the charitable company is complying with these legal and regulatory frameworks by making enquiries to those responsible for legal and compliance procedures. Through our enquiries we corroborated these views by our review of the minutes of trustees' meetings. Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- ◆ Making enquiries of management as to their knowledge of any actual, suspected or alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested journal entries to identify unusual transactions;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ Tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charitable company's financial procedures; and
- ◆ Performed substantive testing on expenditure incurred to ensure it complied with the charitable company's stated purpose.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ Reading the minutes of trustees' meetings and enquiring of management and trustees as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

**Auditor's responsibilities for the audit of the financial statements** (continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities 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 auditor's report.

**Other matters**

In the previous accounting period, the charitable company was dormant and an audit was not required. Therefore, the prior period financial statements were not subject to audit.

**Use of our report**

This report is made solely to the charitable company's member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.

Amanda Francis (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

2 December 2022

**Statement of financial activities** (including income and expenditure account) Year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>Income from:</b>							
Grants and donations	1	615,338	156,305	771,643	—	—	—
Interest receivable		71	—	71	—	—	—
Charitable activities							
. Fees and related charges		5,952,336	—	5,952,336	—	—	—
Other sources	2	176,534	—	176,534	—	—	—
		<b>6,744,279</b>	<b>156,305</b>	<b>6,900,584</b>	<b>—</b>	<b>—</b>	<b>—</b>
Transfer from Daughters of Charity of St Vincent de Paul Charitable Trust	20	1,451,122	23,425	1,474,547	—	—	—
<b>Total income</b>		<b>8,195,401</b>	<b>179,730</b>	<b>8,375,131</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Expenditure on:</b>							
Charitable activities							
. Nursing care and related services	3	6,066,872	158,335	6,225,207	—	—	—
<b>Total expenditure</b>		<b>6,066,872</b>	<b>158,335</b>	<b>6,225,207</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net income and net movement in funds</b>							
	6	<b>2,128,529</b>	<b>21,395</b>	<b>2,149,924</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Reconciliation of funds:</b>							
Balances brought forward at 1 April 2021		—	—	—	—	—	—
Balances carried forward at 31 March 2022		<b>2,128,529</b>	<b>21,395</b>	<b>2,149,924</b>	<b>—</b>	<b>—</b>	<b>—</b>

The charitable company commenced activity with effect from 1 April 2021. All activities derived from continuing operations.

All recognised gains and losses are included in the above statement of financial activities.

**Balance sheet** 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	9		522,259		—
<b>Current assets</b>					
Debtors	10	563,688		—	
Cash at bank and in hand		1,433,453		—	
		1,997,141		—	
<b>Creditors:</b> amounts falling due within one year	11	(369,476)		—	
<b>Net current assets</b>			1,627,665		—
<b>Total net assets</b>			2,149,924		—
<b>Represented by:</b>					
<b>Funds</b>					
Restricted funds	12		21,395		—
Unrestricted funds					
. Tangible fixed assets fund	13	499,539		—	
. General fund		1,628,990		—	
			2,128,529		—
			2,149,924		—

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

Approved by the trustees and  
signed on their behalf by:

Peter Nicol

Trustee

Date of approval: 25/10/22

Registered Company Number: 12085591 (England and Wales)

**Statement of cash flows** Year ended 31 March 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>1,034,548</b>	—
<b>Cash flows from investing activities:</b>			
Interest received		71	—
Purchase of tangible fixed assets		<b>(90,300)</b>	—
<b>Net cash used in investing activities</b>		<b>(90,229)</b>	—
<b>Cash flows from financing activities</b>			
Capital element of finance lease rentals		<b>(47,551)</b>	—
<b>Net cash used in financing activities</b>		<b>(47,551)</b>	—
<b>Change in cash and cash equivalents in the year</b>		<b>896,768</b>	—
<b>Cash and cash equivalents transferred from Daughters of Charity of St Vincent de Paul Charitable Trust</b>		<b>536,685</b>	—
<b>Cash and cash equivalents at 1 April 2021</b>	B	—	—
<b>Cash and cash equivalents at 31 March 2022</b>	B	<b>1,433,453</b>	—

**Notes to the statement of cash flows for the year to 31 March 2022.**

**A Reconciliation of net movement in funds to net cash provided by operating activities**

	2022 £	2021 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>2,149,924</b>	—
<b>Adjustments for:</b>		
Depreciation charge	151,040	—
Transfer from Daughters of Charity of St Vincent de Paul Charitable Trust	<b>(1,474,547)</b>	—
Interest receivable	(71)	—
Decrease in debtors	164,282	—
Increase in creditors	43,920	—
<b>Net cash provided by operating activities</b>	<b>1,034,548</b>	—

**B Analysis of cash and cash equivalents**

	2022 £	2021 £
<b>Total cash and cash equivalents: Cash at bank and in hand</b>	<b>1,433,453</b>	—

**Statement of cash flows** Year ended 31 March 2022

**C Analysis of changes in net debt**

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash	—	1,433,453	<b>1,433,453</b>
Finance lease obligations	—	(22,720)	<b>(22,720)</b>
Total	—	1,410,733	<b>1,410,733</b>



## **Principal accounting policies** Year ended 31 March 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements of Marillac Neurological Care Centre are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2022 with comparative information provided in respect to the year to 31 March 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the principles set out in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The main judgements and estimates applied in these financial statements relate to the estimation of the useful economic life of tangible fixed assets for the purpose of determining an annual depreciation charge; the assessment of any bad or doubtful debts; and the assessments of whether legacy income should be recognised in the financial statements.

The trustees have also estimated future income and expenditure flows for the purpose of assessing going concern (see below).

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements.

The trustees have considered the potential impact of the aftermath of the Covid-19 pandemic and the current macroeconomic and geopolitical climate on Marillac Neurological Care Centre. They have concluded that there may be some negative consequences such as increased overheads (including PPE) and higher staffing costs, alongside increased energy costs (costs predicted to increase 4-fold). However, they also acknowledge that occupancy remains high and relationships with commissioners are good.

Whilst accepting that there will be challenges ahead, given the foregoing, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of Marillac Neurological Care Centre to continue as a going concern. The trustees are of the opinion that Marillac Neurological Care Centre will have sufficient resources to meet its liabilities as they fall due for at least the next twelve months.

### **Income recognition**

Income is recognised in the period in which Marillac Neurological Care Centre is entitled to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises donations and legacies, interest receivable, fees and charges for nursing care and other income including DCSVP cross charges, cafeteria income and income from other sources, including Coronavirus Job Retention Scheme funding and Covid -19 Pandemic grants.

During the year ended 31 March 2022, the transfer of assets and liabilities from the Daughters of Charity of St Vincent de Paul Charitable Trust has been accounted for as a donation from one charity to another and has been included as income as at the date set out in the legal transfer agreement between the two entities.

Donations and grants are recognised when Marillac Neurological Care Centre has confirmation of both the amount and settlement date. In the event of donations or grants pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before Marillac Neurological Care Centre is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of Marillac Neurological Care Centre and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

**Income recognition** (continued)

Legacies are included in the statement of financial activities when Marillac Neurological Care Centre is entitled to the legacy, the executors have established that there are sufficient surplus assets in estate to pay the legacy, and any conditions attached to the legacy are within the control of Marillac Neurological Care Centre.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably. This is normally upon notification of the interest paid or payable by the bank.

Income from care fees and related charges is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates and value added tax from the date on which the charity is entitled to receipt.

Funding from the Coronavirus Job Retention Scheme is credited to the statement of financial activities when the foundation becomes entitled to the funding and when the amount can be quantified.

Funding from the Coronavirus Pandemic grants are credited to the statement of financial activities when the charity becomes entitled to the funding and when the amount can be quantified.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing Marillac Neurological Care Centre to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. All expenditure relates to the cost of charitable activities i.e. the provision of nursing care and related services.

**Support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Centre it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of Marillac Neurological Care Centre (including audit costs) and costs in respect to its compliance with regulation and good practice.

**Tangible fixed assets**

All assets costing in excess of £1,000 and with an expected useful life exceeding one year are capitalised in these financial statements.

◆ Building improvements

Building improvements representing improvements made to the buildings occupied by the Centre are depreciated on a straight line basis at 10% per annum.

◆ Furniture and equipment

Expenditure on the purchase and replacement of furniture and equipment is depreciated over a five year period on a straight line basis in order to write each asset off over its estimated useful life.

◆ Motor vehicles

Motor vehicles are capitalised and depreciated over a four year period on a straight line basis, in order to write off the cost of each vehicle over its estimated useful life.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

Creditors and provisions 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. Creditors and provisions are recognised at the amount Marillac Neurological Care Centre anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund structure**

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

The tangible fixed assets fund comprises the net book value of the Marillac Neurological Care Centre's tangible fixed assets after deducting the finance lease obligations in respect to furniture and equipment which form part of unrestricted funds. The existence of the assets is fundamental to the Centre being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded as realisable.

The general fund comprises those monies which are freely available for application towards achieving the charitable objectives of Marillac Neurological Care Centre and which may be applied at the discretion of the CEO and in consultation with the trustees.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Lease arrangements that transfer substantially all the risks and rewards of ownership to the lessee are treated as finance leases. Assets held under finance leases are capitalised within tangible fixed assets and depreciated over the shorter of the lease term and useful life of the asset. A liability is recognised for the present value of the minimum lease payments within current and long term liabilities as appropriate. Rental payments are apportioned between capital and interest expense.

### **Pension contributions**

Contributions in respect of the defined contribution pension scheme operated by Marillac Neurological Care Centre are charged to the statement of financial activities when they are payable to the scheme. Contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year end. Marillac Neurological Care Centre has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

**1 Income from: Grants and donations**

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Donation from the Daughters of Charity of St Vincent de Paul Charitable Trust	600,000	—	600,000	—	—	—
Covid-19 grants	—	142,410	142,410	—	—	—
Other donations and grants	15,338	13,895	29,233	—	—	—
	<b>615,338</b>	<b>156,305</b>	<b>771,643</b>	<b>—</b>	<b>—</b>	<b>—</b>

**2 Income from: Other sources**

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
DCSVP cross charges (note 18)	138,000	—	138,000	—	—	—
Cafeteria income	17,841	—	17,841	—	—	—
Coronavirus Job Retention Scheme funding	6,805	—	6,805	—	—	—
Miscellaneous income	13,888	—	13,888	—	—	—
	<b>176,534</b>	<b>—</b>	<b>176,534</b>	<b>—</b>	<b>—</b>	<b>—</b>

**3 Expenditure on: Nursing care and related services**

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Staff costs (note 7)	4,582,379	140,968	4,723,347	—	—	—
Premises	777,478	17,270	794,748	—	—	—
Provisions	133,750	—	133,750	—	—	—
Patient welfare	258,675	97	258,772	—	—	—
Other expenses	198,743	—	198,743	—	—	—
Support costs (note 4)	115,847	—	115,847	—	—	—
	<b>6,066,872</b>	<b>158,335</b>	<b>6,225,207</b>	<b>—</b>	<b>—</b>	<b>—</b>

**4 Support costs**

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Staff costs (note 7)	14,510	—	14,510	—	—	—
Central administration	39,087	—	39,087	—	—	—
Bank charges	12,810	—	12,810	—	—	—
Legal and professional fees	36,670	—	36,670	—	—	—
Governance costs (note 5)	12,770	—	12,770	—	—	—
	<b>115,847</b>	<b>—</b>	<b>115,847</b>	<b>—</b>	<b>—</b>	<b>—</b>

## 5 Governance costs

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Auditor's remuneration	12,770	—	12,770	—	—	—

## 6 Net income and net movement in funds

This is stated after charging:

	Total funds 2022 £	Total funds 2021 £
Staff costs (note 7)	4,737,857	—
Auditor's remuneration – inclusive of VAT		
. Non-statutory audit fees	12,770	—
Operating lease rentals	65,182	—
Depreciation	151,040	—
Rental charge for land and buildings	72,000	—

## 7 Staff costs and trustees' remuneration

	2022 £	2021 £
Staff costs during the year were as follows:		
Wages and salaries	3,855,208	—
Social security costs	335,368	—
Other pension costs	110,827	—
	4,301,403	—
Agency costs	436,454	—
	4,737,857	—
Staff costs per function were as follows:		
Nursing care and related services	4,723,347	—
Support services	14,510	—
	4,737,857	—

The average number of employees based on head count, analysed by function, was:

	2022 No.	2021 No.
Nursing and care staff	152	—
Administration functions	18	—
	170	—

## 7 Staff costs and trustees' remuneration (continued)

The number of employees based on full time equivalents, analysed by function, was

	2022 No.	2021 No.
Nursing and care staff	117	—
Administration functions	13	—
	<b>130</b>	<b>—</b>

Two (2021: nil) employees earned £60,000 - £70,000 and one (2021: nil) employee earned £110,000 - £120,000 per annum (including taxable benefits but excluding employer's pension contributions) during the year.

The key management personnel of Marillac Neurological Care Centre in charge of directing and controlling, running and operating the service on a day-to-day basis comprise the trustees and the Senior Management Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £395,930 (2021: £nil).

None of the trustees of the overall charity received any remuneration from Marillac Neurological Care Centre in respect of their services during the year (2021 - £nil). No expenses were reimbursed to the trustees during the year (2021 - none).

## 8 Taxation

Marillac Neurological Care Centre is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 9 Tangible fixed assets

	Building improve- ments £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	—	—	—	—
Transfer from Daughters of Charity of St Vincent de Paul Charitable Trust (note 20)	567,213	552,871	9,349	<b>1,129,433</b>
Additions	44,619	45,681	—	<b>90,300</b>
Disposals and eliminations	—	(115,649)	—	<b>(115,649)</b>
At 31 March 2022	<b>611,832</b>	<b>482,903</b>	<b>9,349</b>	<b>1,104,084</b>
<b>Depreciation</b>				
At 1 April 2021	—	—	—	—
Transfer from Daughters of Charity of St Vincent de Paul Charitable Trust (note 20)	184,898	352,188	9,348	<b>546,434</b>
Charge for the year	58,523	92,517	—	<b>151,040</b>
On disposals and eliminations	—	(115,649)	—	<b>(115,649)</b>
At March 2022	<b>243,421</b>	<b>329,056</b>	<b>9,348</b>	<b>581,825</b>
<b>Net book values</b>				
At 31 March 2022	<b>368,411</b>	<b>153,847</b>	<b>1</b>	<b>522,259</b>
At 31 March 2021	—	—	—	—



**9 Tangible fixed assets** (continued)

The freehold land and buildings occupied by Marillac Neurological Care Centre are owned by the Daughters of Charity of St Vincent de Paul Charitable Trust to which rent is paid. Therefore, no value has been included in these financial statements in respect to the freehold.

Building improvements and other tangible fixed assets are stated at cost.

Items of furniture and equipment with a carrying value of £26,559 (2021: £nil) are held under finance leases. The accumulated depreciation on these assets totals £201,091 (2021: £nil).

**10 Debtors**

	2022 £	2021 £
Fees and charges	517,325	—
Prepayments and accrued income	46,343	—
Other debtors	20	—
	<b>563,688</b>	—

**11 Creditors: amounts falling due within one year**

	2022 £	2021 £
Expense creditors	103,547	—
Social security and other taxes	154,935	—
Finance lease obligations (note 16)	22,720	—
Accruals	53,577	—
Fees in advance	22,400	—
Other creditors	11,614	—
Amounts due to the Daughters of Charity of St Vincent de Paul Charitable Trust (note 18)	683	—
	<b>369,476</b>	—

## 12 Restricted funds

The income funds of Marillac Neurological Care Centre include restricted funds comprising the following unexpended balances of donations to be applied for specific purposes:

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Sensory garden fund	—	1,526	(976)	550
Rehabilitation kitchen fund	—	8,000	—	8,000
Infection control fund	—	142,410	(142,410)	—
St Catherine's Unit fund	—	378	—	378
Catherine Nicol award	—	3,000	—	3,000
fund Hardship fund	—	550	(97)	453
Mandy Sheridan fund	—	1,681	—	1,681
Hanging baskets fund	—	9,185	(1,852)	7,333
Other miscellaneous funds	—	13,000	(13,000)	—
	—	179,730	(158,335)	21,395

There were no movements or balances on restricted funds during the year ended 31 March 2021.

The purposes for which each of the restricted funds are held are as follows:

- ◆ Sensory garden fund  
This fund comprises of money specifically given for the use in the sensory garden for the residents' use.
- ◆ Rehabilitation kitchen fund  
This fund comprises of money given specifically towards expenditure in relation to the new rehabilitation kitchen.
- ◆ St Catherine's Unit fund  
This fund comprises money given specifically towards expenditure in relation to St Catherine's Unit.
- ◆ Catherine Nicol Award fund  
This fund comprises money donated to Marillac Neurological Care Centre and interest earned on the fund to be used to award prizes in memory of Catherine Nicol.
- ◆ Infection control fund  
This fund comprised money donated to Marillac Neurological Care Centre to be used for specific expenses in relation to the Covid 19 Pandemic.
- ◆ Hardship fund  
This fund comprises money given specifically towards expenditure for residents who do not have their own funds

## 12 Restricted funds (continued)

- ♦ Mandy Sheridan fund  
This fund comprises money donated to Marillac Neurological Care Centre to be used to assist relatives with travel costs in memory of Mandy Sheridan.
  
- ♦ Hanging Baskets fund  
This fund comprises money to provide hanging baskets.
  
- ♦ Other miscellaneous funds  
These comprised various donations, given for specific purposes, all of which were spent in full during the year.

## 13 Tangible fixed assets fund

	Total 2022 £	Total 2021 £
At 1 April	—	—
Transfer from Daughters of Charity of St Vincent de Paul Charitable Trust (note 20)	512,728	
Net movement in year	(13,189)	—
At 31 March	499,539	—

The tangible fixed assets fund represents the net book value of tangible fixed assets after deducting the finance lease obligations in respect to furniture and equipment held as unrestricted funds. Such assets are of fundamental importance to Marillac Neurological Care Centre. Without the assets the organisation would be unable to fulfil its charitable aims and objectives. The value of such assets, therefore, would not be easily realisable if needed to meet future contingencies.

#### 14 Analysis of net assets between funds

	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2022 £
<b>Fund balances at 31 March 2022</b>				
<b>Are represented by:</b>				
Tangible fixed assets	—	522,259	—	522,259
Current assets	1,975,746	—	21,395	1,997,141
Creditors: amounts falling due within one year	(346,756)	(22,720)	—	(369,476)
<b>Total net assets</b>	<b>1,628,990</b>	<b>499,539</b>	<b>21,395</b>	<b>2,149,924</b>
	General fund £	Tangible fixed assets fund £	Restricted funds £	Total 2021 £
<b>Fund balances at 31 March 2021</b>				
<b>Are represented by:</b>				
Tangible fixed assets	—	—	—	—
Current assets	—	—	—	—
Creditors: amounts falling due within one year	—	—	—	—
<b>Total net assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

#### 15 Capital commitments

At 31 March 2022, Marillac Neurological Care Centre had no capital commitments (2021: £nil).

#### 16 Leasing commitments

##### **Operating leases**

At 31 March 2022, Marillac Neurological Care Centre had the following future minimum commitments under non-cancellable operating leases in respect to equipment and motor vehicles:

	2022 £	2021 £
Amounts falling due:		
. Within one year	60,701	—
. After one but within five years	101,484	—
<b>Total</b>	<b>162,185</b>	<b>—</b>

## 16 Leasing commitments (continued)

At 31 March 2022, Marillac Neurological Care Centre had the following future minimum commitments under non-cancellable operating leases in respect of rent:

	2022 £	2021 £
Amounts falling due:		
. Within one year	76,000	—
. After one but within five years	320,000	—
. After 5 years	1,920,000	—
<b>Total</b>	<b>2,316,000</b>	<b>—</b>

### *Finance leases*

At 31 March 2022, Marillac Neurological Care Centre had the following future minimum commitments under finance leases in respect to furniture and equipment:

	2022 £	2021 £
Amounts falling due:		
. Within one year	27,274	—
Amounts representing interest	4,554	—
<b>Total (note 11)</b>	<b>22,720</b>	<b>—</b>

## 17 Rental Income

### *Operating leases – rent receivable*

At 31 March 2022, Marillac Neurological Care Centre had the following future minimum receivables under non-cancellable operating leases in respect of rental income

	2022 £	2021 £
Amounts falling due:		
. Within one year	63,000	—
. After one but within five years	252,000	—
. After 5 years	882,000	—
<b>Total</b>	<b>1,197,000</b>	<b>—</b>

## 18 Related party transactions and controlling entity

The Daughters of Charity of St Vincent de Paul Charitable Trust (Charity Registration No 236803) (the Trust) is connected to Marillac Neurological Care Centre by virtue of the fact that MNCC was until midnight on 31 March 2021 an integral part of the Trust. Two Sisters who sit on the Board of MNCC are Daughters of Charity of St Vincent de Paul. Assets and liabilities relating to MNCC were transferred to Marillac Neurological Care Centre on 1 April 2021 and a donation of £600,000 was also made during the year. Further detail is given in note 20 below.

### **Provision of Catering Services**

In accordance with formal agreements, MNCC provides catering services to the religious community at Warley and to Seton Care Unit at Warley (a unit specifically for the care of older Sisters). Both are integral parts of the Daughters of Charity of St Vincent de Paul Charitable Trust. The formal agreements stipulate that either party can terminate the agreement with 6 months notice.

### **Rent of Land and Buildings**

The freehold title to the land and buildings occupied by MNCC is owned by the Daughters of Charity of St Vincent de Paul Charitable Trust. The entire site is leased to MNCC for a period of 30 years commencing 31 March 2021. Certain of the buildings covered by this lease provide accommodation for the religious community at Warley and certain of the buildings are used by Seton Care Unit at Warley (a unit specifically for the care of older Sisters). In both cases, the relevant land and buildings are subject to sub-leases covering a period of 20 years commencing on 31 March 2021.

During the year Marillac Neurological Care Centre received a total of £138,000 (2021: £nil) relating to cross charges with The Daughters of Charity of St Vincent de Paul Charitable Trust.

This consisted of 2 elements – a rental charge for the use of the land and buildings (£60,000) and a charge for the provision of catering facilities (£78,000).

A total of £20,000 (2021: £nil) was received from the community at Warley and £40,000 (2021: £nil) from Seton Care Unit at Warley (a unit specifically for the care of older Sisters) (both integral parts of the Daughters of Charity of St Vincent de Paul Charitable Trust) in respect of a rental charge for the use of the land and buildings.

A total of £30,000 (2021: £nil) was received from the community at Warley and £48,000 (2021: £nil) from Seton Care Unit at Warley (a unit specifically for the care of older Sisters) (both integral parts of the Daughters of Charity of St Vincent de Paul Charitable Trust) in recognition of the provision of catering facilities.

During the year Marillac Neurological Care Centre paid £72,000 (2021: £nil) to the Daughters of Charity of St Vincent de Paul Charitable Trust in respect of a rental charge for the use of the land and buildings.

At 31 March 2022 Marillac Neurological Care Centre was indebted to Seton Care Unit, an integral part of the Daughters of Charity of St Vincent de Paul Charitable Trust, in the amount of £683 (2021: £nil).

A Trustee of the charity, Dr Michael Apps, was paid £3,000 (2021: £nil) by Marillac Neurological Care Centre for his services as a consultant physician.

Control of Marillac Neurological Care Centre lies with its member and parent entity, the Daughters of Charity of St Vincent de Paul Services, a registered charity (Charity Registration Number 1149326) and a company limited by guarantee (Company Registration Number 07638065 (England and Wales)). The registered office of the Daughters of Charity of St Vincent de Paul Services is Provincial House, The Ridgeway, Mill Hill, London, NW7 1RE.

The Daughters of Charity of St Vincent de Paul Services (the charitable company) is controlled by the Daughters of Charity of St Vincent de Paul, a Roman Catholic religious congregation, by virtue of the fact that members of the Congregation are also members of the charitable company.

## **19 Custodian funds**

As at 31 March 2022 Marillac Neurological Care Centre held funds on behalf of residents totalling £18,801 (2021: £nil) as Custodian Trustee. The funds are held in a bank account separate from the funds of Marillac Neurological Care Centre. The funds are not included in these financial statements and they are segregated clearly from those belonging to Marillac Neurological Care Centre itself at all times.

## **20 Transfer from Daughters of Charity of St Vincent de Paul Charitable Trust**

With effect from 1 April 2021, the activities, assets and liabilities of MNCC held within the Daughters of Charity of St Vincent de Paul Charitable Trust (Charity Registration No 236803) were transferred as a going concern to Marillac Neurological Care Centre in accordance with a legal transfer of undertakings agreement. The net assets at that date comprised:

	1 April 2021 £
Tangible fixed assets	
. Cost	1,129,433
. Depreciation	(546,434)
	<u>582,999</u>
Debtors	727,970
Cash at bank and in hand	536,685
Creditors: amounts falling due within one year	(348,376)
Creditors: amounts falling due after one year	(24,731)
	<u>1,474,547</u>

The assets and liabilities were represented by the following funds:

	1 April 2021 £
Restricted funds	23,425
General funds	938,394
Tangible fixed assets fund	512,728
	<u>1,474,547</u>