THE MORTIMER SOCIETY

England & Wales · Charity number 287579

Details

Other names	THE MORTIMER SOCIETY LIMITED, BIRLING HOUSE, FRINDSBURY HOUSE
Status	Registered
Legal form	Charitable company
Company number	01741444
Registered	1983-09-24
Register	View on the Charity Commission register

Contact

Address	Birling House 91-93 High Street Snodland ME6 5AN
Phone	07714301510
Email	p.studd@mortimersociety.org.uk
Website	www.mortimersociety.org.uk

Activities

Objects: THE RELIEF OF SUFFERING FOR PEOPLE WITH PHYSICAL AND/OR LEARNING DISABILITIES AND/OR PHYSICAL AND/OR MENTAL ILLNESS OF ANY DESCRIPTION, INCLUDING PEOPLE SUFFERING FROM HUNTINGTON'S DISEASE

Activities: Provision of long term residential care for adults with physical disabilities, including Huntington's Disease, and/or learning disabilities, acquired brain injuries or other neurological conditions.

Classification

- **How:** Provides Services
- **What:** Disability
- **Who:** People With Disabilities

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Geography

- East Sussex
- Kent
- Medway
- Surrey
- West Sussex
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-10-31	£5,785,732	£5,395,745	£5,622,361	130
2024-10-31	£5,109,138	£5,055,752	£5,232,374	138
2023-10-31	£4,754,840	£4,767,881	£5,178,988	139
2022-10-31	£4,289,786	£4,396,459	£5,192,029	144
2021-10-31	£3,809,787	£4,330,002	£5,298,702	142
2020-10-31	£4,103,465	£3,918,449	£5,818,917	118

Trustees

Name	Role	Appointed
Michelle Kabia	Chair	2025-03-20
Christine Anne Clinton		2021-09-29
Claudette Neville		2021-12-15
Jacqueline Hackett		2022-09-28
Philip Andrew Taylor		2026-03-27
Trevor Rose		2025-03-20

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THE MORTIMER SOCIETY

England & Wales - Charity number 287579

Accounts

Docusign Envelope ID: A444E04B-2EE0-4121-8BF9-252E08DAECCE

Registered number: 01741444
Charity number: 287579

The Mortimer Society

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 October 2025

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The Mortimer Society
(A Company Limited by Guarantee)

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The Mortimer Society
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees' and Advisers
For the Year Ended 31 October 2025

Trustees

Dr D J Oliver, Chair (Resigned 9 July 2025)
Mr K Lagden, Vice Chair (Resigned 20 March 2025)
Mrs V Lepadden (Resigned 20 November 2024)
Mrs C Clinton
Mrs C Neville
Mrs J Hackett
Ms N Farley (Resigned 11 February 2026)
Ms M Kabia (Appointed 20 March 2025) (Appointed as Chair 24 September 2025)
Mr T Rose (Appointed 20 March 2025)

Company registered number
01741444

Charity registered number
287579

Registered office
42 Hollywood Lane
Frindsbury
Rochester
Kent, ME3 8AL

Chief Executive Officer

Mr Paul Studd

Executive Management Team

Mrs Susan Matthews, Head of Operations
Mr Peter Lee, Head of Care, Birling House and Frindsbury House (Appointed 1 May 2025 and Resigned 12 September 2025)

Independent auditor

UHY Hacker Young
Thames House, Roman Square
Sittingbourne
Kent, ME10 4BJ

Bankers

National Westminster Bank Plc
5 Market Place
Hampton Wick
Kingston upon Thames
Surrey, KT1 1JX

Solicitors

Russell-Cooke LLP
2 Putney Hill
Putney
London, SW15 6AB

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The Trustees present their annual report together with the audited financial statements of the charitable company for the period 1 November 2024 to 31 October 2025. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities SORP (FRS 102) (second edition), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102)".

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Society gives due regard to the guidance published by the Charity Commission on public benefit and the Trustees consider the Charity is compliant. The purpose of the Society, as set out in the Society's Memorandum of Association, is to provide relief for those in need by reason of ill health or disability particularly a physical and/or a learning disability, and particularly those people suffering from Huntington's Disease and other neurological conditions.

Strategies for achieving objectives

The objectives are achieved through the provision of long-term residential care for adults across two residential homes owned by the Society, Birling and Frindsbury House. One of the homes is in West Kent and the other in Medway but both welcome clients from all over the country. Most of our residents are sponsored by their Local Authority Social Services or by their NHS Integrated Commissioning Boards. Prior to admission to either of our homes, a full pre-admission assessment of a prospective resident is carried out with the help of relatives and the social care case manager and other social care professionals to ensure that we can provide the most appropriate level of care and support.

No one receives any private benefit from the Society other than the care services we provide.

Activities for achieving objectives

By considering our aims, objectives, and activities each year, we strive to deliver the most effective and beneficial outcomes. We also ensure that the environment of our homes and the activities and services we provide make our homes attractive to prospective residents, their families, and commissioners. In each home we offer:

- An integrated Activities Team
- Well-equipped Activity Suites including the provision of facilities such as family accommodation, TV, hairdressing salon, PC and Tablets with internet access and interactive game table with Wi-Fi connectivity
- Adapted mini-buses and an MPV for the benefit of the residents
- Wheelchair accessible gardens with sensory features for the enjoyment of residents and their families and visitors
- Regular visits by musicians and entertainers
- Trips to the theatre, cinema, shopping, and places of individual interest
- Music therapy, aromatherapy, chiropody, and counselling
- Speech and language therapy – service provided by Medway Community Healthcare and privately contracted services
- Multi-sensory rooms
- Programmes for Activities of Daily Living
- Residents, Family and Carers assemblies and social events
- Access to laptops and tablets to facilitate communication with families and friends through MS Teams, Zoom, WhatsApp, FaceTime, and other online social media channels.

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Involvement of Volunteers

Volunteers from local schools and colleges may be involved in visiting residents who have no family contacts. One volunteer, an ex-staff member of the Activities team, visits Birling House on a regular basis to support residents and staff with various social activities such as visits to the local pubs for lunch and accompanying residents on days out on boat trips. On occasions other ex-members of staff or family members of deceased residents deliver buddy support to residents at Birling House who have no family or do not receive regular visitors.

Advocacy

The Society has close links to the Independent Mental Capacity Advocacy (IMCA) service provided by the Advocacy People. The service provides support on a confidential basis for residents who are unable to represent themselves and have no close family and friends.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Activities and achievements during the year

The year has again been exceptionally challenging in ensuring the stability and provision of care to the residents. The issues with funding from the authorities who place residents into our care has continued. There has been a major challenge in obtaining appropriate increases in funding from authorities in line with the rate of inflation and the costs of care, such as increased costs for food and utilities and the National Living Wage provision, leaving a potential deficit in providing the cost of care. Negotiations have taken place with authorities and these will continue in the coming years.

The pressures around the recruitment and retention of staff have eased during this year with the turnover of staff being much improved but nevertheless some newly appointed staff members continue to leave after a short period of time. This reflects a national issue, with caring not seen as a long-term career and to be poorly paid. The Executive Team have worked very hard at addressing these issues, with increased flexibility in the recruitment process, support of new staff and an ongoing support for all staff. We have aimed to provide a reasonable pay increase and other support for staff.

Staff

Over the years, Birling House and Frindsbury House have built up a strong reputation for the quality of care, kindness and support given to our residents and their families by our staff. The Society has been very fortunate to have a loyal and dedicated staff team in both homes who are valued and keen to provide for the individual care needs and aspirations of our residents to deliver the required person-centred outcomes. During the last year the recruitment and retention of staff has seen a marked improvement with the Society's staff turnover stabilising and is now much lower than has been experienced in prior years and has provided a consistent staff base allowing the enhanced care which is our normal level of service. Staffing issues continue to remain at the top of the agenda across the care sector generally.

The pay increases to all staff included meeting the National Living Wage of 6.73% with incremental increases for all staff. Extra support has been provided with counselling and support available to all staff from Health Assured which provides confidential support, advice, and counselling for staff.

Despite these challenges and pressures, we have continued to stress the high importance on the personal and professional development of staff which encourages initiative and innovation. Our comprehensive induction programme for all staff reflects the Society's principles, aims, and values through which they are encouraged to contribute to the future planning and development of the service.

Staff have continued to undertake many activities in-house to provide enjoyment and entertainment and support for residents who have been unable to leave the homes and for those who have received limited visiting by friends and families.

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These activity and social entertainment days include birds of prey, Alpaca, and reptile visits, hatching of ducks and chicks and performances by singers and entertainers with families and friends also being invited to attend. These activities have been supported by the charitable donations from residents and families and charitable events held by staff throughout the year.

There has also been the opportunity this year to reorganise the management structure at the Society. A new post of Head of Care and Registered Manager with the CQC for the Society has been developed and implemented and the postholder will lead the Home Managers and care teams to deliver the highest possible quality care for people with complex needs.

Staff Training

The organisation is committed to an extensive training programme for all our staff and this has continued throughout the year including working towards Diploma qualifications at level 2 and level 3 in Health and Social Care through the Qualifications Credit Framework (QCF). This ensures our staff are better trained than is perhaps the norm in residential care homes in this area of practice.

The on-line training programme delivered by Care Tutor delivers the necessary mandatory courses for all categories of employees with care staff being expected to complete 32 modules for which they are recompensed if completed in their own time which are refreshed every two or three years depending on the course subject. This programme has continued to be extremely effective which means that it will continue to be the method of delivering all training in the future except for any practical training that has to be undertaken face to face such as first aid, moving and handling and Safeguarding of vulnerable adults which is delivered by both methods.

All new staff undertake an in-depth induction process which must be completed within a 12-week period and gives each person a full understanding of the responsibilities of their role, the quality of care we provide and expect to be delivered which will give everyone the opportunity to explore the working practices and environments at both of our homes. All staff are encouraged to practice the aims, beliefs and values of the Society in order to deliver high-quality person-centred care to everyone.

Mandatory and Specialised Training

Staff training is carried out regularly and includes: Fire Safety, Health and Safety, Safeguarding of Vulnerable Adults, Infection Prevention and Control, Moving and Handling, Mental Capacity and Deprivation of Liberty, Food Hygiene and First Aid. In addition to this training, we also offer staff training on a wide range of subjects including Medication, Report Writing, Equality and Diversity, LGBTQ, Communication Skills, Huntington's disease, Multiple Sclerosis, Parkinson's disease, autism, learning disability and Dementia. The Society also prides itself in providing support to new employees who are new to social care as part of their induction process, in achieving the Care Certificate. This qualification is an agreed set of standards published by Skills for Care that sets out the knowledge, skills and behaviours expected of specific job roles by workers in the health and social care sectors. The Certificate comprises of 15 minimum standards and forms part of any new employee's robust induction programme over a period of 12 weeks.

Occupancy levels

The Society's financial performance depends on overall room occupancy and the level of weekly fees paid on behalf of our residents by the local authorities and the NHS Integrated Commissioning Boards (ICBs). The Society is registered with the Care Quality Commission for 29 rooms at Birling House (29 residents) and 23 rooms (23 residents) at Frindsbury House. In 2024/25, the Society achieved an overall average occupancy rate of 97.05%, with Birling House achieving an occupancy level of 97.4% and Frindsbury House achieving 96.7%.

Capital Reinvestment - Fabric and equipment

Capital reinvestment into the Society from reserves was limited in 2024/25 with a conscious decision to minimise expenditure from reserves due to the likely high level of day-to-day operational costs in the current year. As a result, the annual capital budget for 2024/25 was limited to essential fire safety work around fire doors and compartmentalisation identified in the annual Fire Risk Assessment totalling a cost of £159,000 across both homes. In addition to this work, a contingency fund of up to £50,000 was set aside by the Trustees for any unexpected but essential items of capital expenditure and it was agreed to fund both the fire safety work and the unexpected capital items from general reserves within then financial year 2024/25. Further non-critical fire safety work will be caried out and completed in 2025/26.

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Care Quality Commission

CQC inspections exist to make sure health and social care services in England are safe, effective, caring, responsive, and well-led, and to protect people who use those services. They check whether providers meet the legal fundamental standards and take necessary action if these standards are not met.

The CQC's new Single Assessment Framework (SAF) is a unified, flexible, and evidence-based way of assessing all health and social care providers in England. It uses quality statements, six evidence categories, and ongoing assessment rather than large, infrequent inspections. This creates a more consistent, transparent, and continuous view of quality across all services.

Birling House was last inspected by the CQC on 3 April 2025 under the new single assessment framework inspection regime looking at the five key lines of inquiry where questions are asked about the service being (1) Safe (2) Effective (3) Caring (4) Responsive and (5) Well-Led. The outcome of the inspection was that the service was rated 'Good' in all domains and was awarded an overall rating of 'Good'.

Frindsbury House was last inspected by the CQC on 12 February 2019 and the service was awarded the rating of 'Good' in all five key lines of inquiry domains. No further visits have been carried out by the CQC since this date.

During 2024/25 the CQC have continued to introduce a new strategy for the changing world of health and social care and the way they regulate to improve the care for everyone, aiming to be more relevant to the way care is delivered, more flexible to manage risk and uncertainty and enabling them to respond in a quicker and more proportionate way as the health and care environment continues to evolve. The Single Assessment framework has been introduced to strengthen their commitment to deliver their purpose; to ensure health and social care services provide people with safe, effective, compassionate, high-quality care and to encourage those services to improve. Throughout 2025, the CQC were committed to implementing this further new way of working with care providers and this method is how health and social care organisations will work together to ensure that assessment and subsequent care planning for people are person-centred, integrated, effective, and coordinated.

Over the last 5 years, the CQC have suspended their routine inspection programme and have stated that they do not intend to resume it unless they consider there are risks associated with the service being identified. They have continued to use a mix of intelligence gathering information to ensure the public have assurance as to the safety and quality of the care that is being delivered.

The CQC carry out a regular review of the data that is available to them and to date they have not found any evidence to suggest that they need to carry out an inspection or reassess the ratings at either home which are currently both rated as 'Good' in all five areas of inspection domains.

FINANCIAL REVIEW

Financial risk management objectives and policies

The Society produced a moderate surplus of £389,987 for the year ended 31 October 2025 following disappointing results in the prior two years from charitable activities. Compared with the prior year, the total income in 2024/25 increased by £676,594 and the expenditure increased by £339,993. However, it should be noted that the out-turn includes monies from fundraising for specific projects, the majority of which has been capitalised as tangible fixed assets on the Balance Sheet. During 2024/25, the Society experienced an increase in cash reserves compared with previous financial years as it increased by £417,152 to £1,476,964 by the end of the financial year. Further capital reinvestment will have to be carefully monitored together with detailed reviews of the fee income and expenditure levels. However, there are still sufficient reserves to allow the Society to remain viable in the coming years.

In 2024/25, staffing costs accounted for 76.1p out of every £1 of fee income financial year compared with 81.3p in the prior year. Many of our residents require a very high level of specialised individual and complex care making it is necessary to have high staffing levels and highly trained and experienced staff to deliver this unique and person-centred service which maintains the professionalism and reputation of the Society's charitable purpose. There have been some issues in the recruitment and retention of staff which has been seen nationally within the care sector and this has significantly increased staffing costs. Measures are being and will continue to be taken to reduce the costs as far as possible but national measures will also be needed to address this problem.

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During 2024/25 most of sponsoring authorities and NHS Integrated Care Boards (ICBs) awarded inflationary increases in weekly fees to recognise the ongoing and increasing cost of the National Living Wage each year and the general cost of living rises on goods and services. However, the percentage increases were not sufficient in recognising the extremely high level of inflation or the actual level of pay increases awarded out of necessity to retain staff. Unfortunately, some authorities offered no increase at all or were actively seeking to reducing their costs in line with their budget constraints.

We have little control over many of the fixed and variable costs, for instance food and drink, utilities, repairs and maintenance costs and equipment service agreements which have all been subject to a substantial price increase in line with or above, the general inflation rate level. At the same time the ever-increasing regulation of the care sector brings year on year additional costs which must be borne and absorbed without any consideration being given to the impact that may have on the operation of individual care homes. This situation has arisen because of local government restrictions imposed by central government and national action will be necessary as this situation cannot continue in the future without impacting on the services we can provide. We have been in conversation with all authorities during the year to discuss these issues and the careful reassessment of the residents' needs and costings has led to increased fees for many residents. These reassessments are continuing and may lead to increased income to meet increased costs.

As a charity we strive to deliver high-quality, cost-effective care at a fair and true price. However, our income must at least meet our expenditure and allow us to continue to invest for the future. We sincerely hope that our sponsoring authorities will recognise that if charitable residential care homes such as the Mortimer Society are to continue, fee income must reflect the true cost of caring for our residents who have very high dependency and complex care needs. The funding authorities must also recognise and attempt to meet the increasing pay rates resulting from the imposed year on year increases in the National Living Wage through the future years ahead.

Going Concern

The level of total reserves has increased at the end of the 2024/25 financial year to £5,622,361 compared with the prior year of £5,232,374, an increase of £389,987.

The Society is actively fundraising through a contracted fundraiser, and this has been reasonably successful throughout 2024/25 which had a positive impact on the budget through these very tough and challenging times and the position is being effectively managed. A total of £25,166 of restricted income was received for specific capital projects during the year and the donors are personally thanked for their contribution in making these projects a reality.

After making appropriate enquiries and considering the above points, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Donations

The Society also received a small sum of £1,991 from local fundraising income as a result of either staff or families arranging social activities such as charity football matches and other events and also internal activities organised by staff for the benefit of the residents such as coffee and cake mornings.

During the year small values of donations were received from families and friends of £6,331 at 31 October 2025 which is included in the total reserves figure below. The expected timing of expenditure of donations received would be within 12 months of receipt and would be spent for the benefit of all the residents.

In addition, a further sum of £19,000 was received from an anonymous donor which was restricted for specific purposes at Frindsbury House.

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Fundraising

As noted above, the Society continues to engage the services of an external fundraising consultant, who is a member of the Chartered Institute of Fundraising. The fundraiser researches and submits grant applications to trusts and foundations, specifically to help fund the annual capital programme. Fundraising is not sought from individuals or the general public.

The Society received a total of £25,166 of grant funding from various sources including £490 from the Charlotte Marshall Charitable Trust, £1,100 from the Cantiacorum Foundation, £1,000 from the Whitehead Monckton Charitable Foundation, £376 from the Medway Council, £2,000 from the Iron Bridge Trust, £1,000 from the Sir James Roll Charitable Trust, and £200 from the Michael & Anna Wix Charitable Trust all of which will be classified as restricted funds for the specific purposes of either specialist equipment for residents across both homes and for the new lift project at Frindsbury House.

The Fundraising Contractor will continue with a programme of fundraising for 2025/26 in anticipation of receiving restricted grants to enable the purchase of more specialist equipment, activity events or for extensive capital projects to improve the residential service to our beneficiaries.

Principal risks and uncertainties

A risk management review process is undertaken by the Executive Management Team and has been approved and adopted by the Trustees. This process is monitored through the Society's Corporate Risk Assurance Framework and this is reviewed, updated as appropriate and reported upon to the Board on a quarterly basis.

The review process enables the CEO, executive managers, and Trustees to mitigate risks that might otherwise prevent the Society from achieving its charitable purpose and objectives through its core values.

The Trustees considered the greatest risk at beginning of the financial year was that of the increases in expenditure due to increases in food costs, utilities, and salaries with insufficient increases in funding from authorities. There was the risk that there may be only small and inadequate increases in fees paid by local authorities linked with the significant year on year increased operating costs and staffing costs arising from the National Living Wage through to 2026 and beyond. Moreover, changes in the political and social climate, a further economic downturn would affect the operation of the Society's business.

The Society has continued to operate the role of Caldicott Guardian this year and an external consultant firm Accordio is now responsible for information governance and acts as the Society's Data Protection Office in collaboration with the CQC nominated individual in recognition of the possible risks surrounding resident data and systems security.

Risks also included a possible shortfall in CQC required outcomes within the service provision and the consequent loss of full compliance which could be a resulting factor. The Society operates a clinical audit and performance management process to rectify any possible failure in standards. The appointment of the Head of Care/Registered Manager in May 2025 aimed to ensure legal compliance and be responsible for the recently introduced changes in monitoring from the CQC by way of the Single Assessment Framework and will ensure that the requirements of the CQC are met but unfortunately, the postholder resigned after only 4 months in post. Subsequently the Trustees approved a structure review of the management team and a new Director of Care/Registered Manager has been appointed from inhouse and will take up the position as from 1st January 2026.

Recruitment and retention of appropriate staff continues to be a main priority in this unprecedented and challenging climate that results in higher costs due to the use of agency provision whose prices have significantly increased in line with all staffing costs due to the high level of inflation and the National Living Wage across the health and social care sector.

Reserves policy

The total reserves at the end of the financial year amounted to £5,622,361 which included the designated fixed asset fund of £4,135,180, which can only be realised on the disposal of the assets, and restricted funds of £8,858.

Funding from local authorities has received a very high profile this year regarding the possible issuing of Section 114 notices but the Society is managing and monitoring the situation very closely in order to maintain our level of reserves in accordance with our policies and procedures.

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At the end of 2024/25 the Society's free reserves stood at £1,478,323 compared with £1,035,814 at the end of the previous year which is a £442,509 increase. During the year the Trustees reviewed the reserves policy and confirmed that an adequate reserve needs to be maintained to allow for any reduction in occupancy levels and for other potential risks and any unexpected eventualities.

The reserves policy agreed by the Board of Trustees currently state that reserves should aim to be maintained at a minimum of three months of basic operating expenditure, which at this current time amounts to around £1.3m and it is anticipated this would be met during 2026.

Trustees continue to review investment opportunities within the framework of the investment policy to maximise the income of the Society with due consideration to protecting the beneficiaries in our care.

Performance Management

The Board of Trustees have recognised that it is increasingly necessary and good practice for charities to demonstrate organisational performance in the annual reports and accounts.

The Trustees have taken the decision following recommendations by the Charity Commission and our External Auditor to continue to adopt and report upon five key performance indicators (KPIs) for the year ending 31 October 2025.

The five Key Finance Performance Indicators (KFPIs) that are being reported upon in 2024/25 are as follows:

1) Occupancy level
2) Total surplus as a percentage of total income
3) Staffing costs as a percentage of total income by home
4) Staffing costs and operational costs as a percentage of total costs
5) Net current assets position

KPIs serve as a measurable value that demonstrates how effectively an organisation is achieving its key business objectives such as performance and progress in order to help evaluate their success in reaching its strategic goals and specific targets.

The Society's results from the KFPIs in the 2024/25 financial year were as follows:

Key Performance Indicator	Birling House		Frindsbury House		Society Total (inc. Central Dept)	
	Actual	Objective	Actual	Objective	Actual	Objective
Occupancy level	97.4%	96.55%	96.7%	95.65%	97.05%	96.10%
Surplus to Income	20.74%	14.93%	9.20%	5.43%	6.11%	-.001%
Staffing costs to Income	64.22%	68.8%	77.31%	78.9%	76.12%	80.4%
Staff costs to Total Costs	81.03%	80.89%	85.15%	83.43%	81.08%	80.0%
Operational Costs to Total Costs	18.97%	19.11%	14.85%	16.57%	18.92%	20.0%
Net Current Assets	n/a	n/a	n/a	n/a	£1.475m	£1.200m

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Society is a registered charity and a company limited by guarantee and as such operates under its Memorandum and Articles of Association, which have received the approval of the Charity Commission.

Method of appointment or election of Trustees

One third of the Trustees must retire at each AGM, those longest in office retiring first. A retiring Trustee who remains qualified may be reappointed.

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At the Annual General Meeting held on 9 July 2025, Trustee David Oliver, Chair, retired from the Board of Trustees and one Trustee Jacquie Hackett was eligible to retire by rotation. The latter Trustee was reappointed to remain on the Board for at least a further year in office. It is intended that new trustees will continue to be recruited in 2025/26 by embarking on a Trustee recruitment campaign.

Policies adopted for the induction and training of Trustees

The Society has an appointment and induction programme for Trustees covering the work of the Society including visits to the two homes and an opportunity to meet the Chair of Trustees, the Chief Executive, Executive Management Team, the staff, and the residents.

The programme includes an explanation of the latest financial position, the current year's budget and the longer-term strategies and business plans of the Society. New Trustees are given copies of the Memorandum and Articles of Association together with a Trustee Information Pack which includes Terms of Reference, Annual Report and Financial Statement and a list of Policies and Procedures. Ongoing online training is provided to Trustees by Hempson Charity Solicitors on the subject of Governance Principles in respect of legal duties and responsibilities of charity Trustees as well financial governance. The Trustees also undertake online statutory training such as Safeguarding of Vulnerable Adults and GDPR.

Pay policy for senior staff

The goal of the Society's pay policy is to offer fair pay to attract and retain appropriately qualified staff to lead, manage, support and deliver the Society's purpose and aims. It will always be consistent with these aims and within an affordable framework.

The Trustees are responsible for setting remuneration levels for the Society's staff and reviewing pay for the most senior staff. These senior staff are clearly identified by the Trustees and will typically, although not always, be part of the Society's executive or senior management team.

The Society's Remuneration Policy follows the National Council for Voluntary Organisation's (NCVO) guidance of which the Mortimer Society is a member and/or the guidance from the Association of Chief Executives in Voluntary Organisations.

Organisational structure and decision making

The Board of Trustees discharges its responsibility of overseeing the management practice of the Society at its quarterly general and additional meetings and by delegating specific projects to sub-groups if appropriate. The Trustees are, at present, the only members of the Mortimer Society and are entitled to attend and vote at all Annual General Meetings.

The day-to-day management of the Society is delegated to the Chief Executive and to the Executive Management Team. The operational management and the running of the two homes is carried out by the Head of Care/Registered Manager with the assistance from the Head of Operations. Major policy questions affecting the future of the Society are discussed between the Executive Management team and the Trustees who are responsible for making the final decisions.

In November 2017 the Society adopted the original principles contained in the Charity Good Governance Code which was a introduced and containing seven main principles as recommended by the Charity Commission for use by Charities in England and Wales. The Society is now in the process of adopting the revised Good Governance Code 2025 consisting of eight principles which build on the assumption that the charity is meeting its legal and regulatory responsibilities as a foundation. These principles include Foundation, Organisational purpose, Leadership, Ethics and culture, Decision making, Managing resources and risks, Equity, diversity and inclusion and finally Board effectiveness and all principles will be reviewed annually as part of the strategic review carried out by Trustees, Senior Managers and Executive Team.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the Society and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks.

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PLANS FOR FUTURE PERIODS

Future developments

The main aims and objectives of the Society during 2025/26 will be to:

- Ensure that the Society's policies and procedures meet statutory requirements and exceed the standards and expectations of our current regulator, the Care Quality Commission (CQC).
- Remain financially viable in an adverse and turbulent economic climate affecting the care sector generally.
- Aim to negotiate appropriate funding with authorities for all the residents, covering the costs of the specific and specialist care that they require which also includes the fee levels for legacy residents.
- Accomplish staff training programmes relevant to our residents' complex and individual needs to meet the expectations of our residents, sponsoring authorities and the CQC and deliver the required outcomes.
- Continue to utilise available capital to invest in prioritised projects and estate development at both homes as set out in the programmes agreed by the Trustees.
- Continually review the need for new initiatives to improve standards including the delivery of safe care, the catering provision and infection prevention and control to meet the diverse needs of our residents.
- Pursue new business opportunities to provide additional day and respite care placements whenever possible as an introduction opportunity into the service for possible permanent care in the future.
- Continue to review the long-term vision and business diversification strategy in client categories and models of care in line with our expertise and client base.
- Continue to enhance the Society's profile by widening our offer of care to include certain neurological conditions in addition to Huntington's disease for which the Mortimer Society is an experienced and reputable provider. This aim will be aided using the Society's website, social media, and continually revised marketing material.
- Further develop the web based Nourish care management system for residents' care plans and the recording of all daily information which meets CQC compliance standards and enable the organisation to hold residents' electronic records to comply with GDPR regulations.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 safe guarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The Society's auditors are appointed by a Resolution of the Society's Annual General Meeting.

At the last AGM, UHY Hacker Young were re-appointed as auditors following a unanimous decision made by the Trustees.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees on 27 March 2026 and signed on their behalf by:

Signed by:
Michelle Kabia
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Ms Michelle Kabia, Chair

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The Mortimer Society
(A Company Limited by Guarantee)

Independent Auditor's Report to the Trustees of The Mortimer Society

Opinion

We have audited the financial statements of The Mortimer Society (the 'society') for the year ended 31 October 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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Matters on which we are required to report by exception

In the light of our 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 including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Society and the sector in which it operates;
- discussion with management and those charged with governance; and
- obtaining an understanding of the Society's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities SORP (FRS 102) and the Charities Act 2011 and UK tax legislation.

The Society is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, Care Quality Commission (regulation) Regulations 2009, Health and Safety Act 1974, Data Protection Act 2018, Employment Rights Act 1996, and the Bribery Act 2010.

Our procedures in respect of the above included:

- review of financial statement disclosures and agreeing to supporting documentation;
- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

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Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Society's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud.
  - review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
  - discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
  - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be to be journals, client personal allowances and key estimates and judgements.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant estimates and judgements made by management for bias, including the recognition of legacy income and the allocation of costs;
- testing the existence and accuracy of income recognised in the year;
- testing the completeness, accuracy and occurrence of client allowance transactions.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Signed by:
Tracey Moore
1102ED52BDDB4BD...

Tracey Moore BFP ACA (Senior Statutory Auditor)
for and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 01 April 2026

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The Mortimer Society
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 October 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income from:					
Donations and legacies	4	6,331	25,166	31,497	*112,814*
Charitable activities	5	5,702,637	-	5,702,637	*4,943,726*
Other trading activities	6	1,992	-	1,992	*2,830*
Investments	7	49,606	-	49,606	*49,768*
Total income		5,760,566	25,166	5,785,732	*5,109,138*
Expenditure on:					
Raising funds	8	10,500	-	10,500	*19,085*
Charitable activities	9	5,372,425	12,820	5,385,245	*5,036,667*
Total expenditure		5,382,925	12,820	5,395,745	*5,055,752*
Net income		377,641	12,346	389,987	*53,386*
Transfers between funds	18	6,200	(6,200)	-	-
Net movement in funds		383,841	6,146	389,987	*53,386*
Reconciliation of funds:					
Total funds brought forward		5,229,662	2,712	5,232,374	*5,178,988*
Net movement in funds		383,841	6,146	389,987	*53,386*
Total funds carried forward		5,613,503	8,858	5,622,361	*5,232,374*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 35 form part of these financial statements.

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The Mortimer Society

(A Company Limited by Guarantee)
Registered number: 01741444

Balance Sheet
As at 31 October 2025

	Note		2025 £		*2024 £*
Intangible assets	14		6,583		-
Tangible assets	15		4,118,197		*4,175,702*
			4,124,780		*4,175,702*
Current assets					
Debtors	16	258,739		*287,365*	
Cash at bank and in hand		1,476,964		*1,059,812*	
		1,735,703		*1,347,177*	
Current liabilities					
Creditors: amounts falling due within one year	17	(238,122)		*(290,505)*	
Net current assets			1,497,581		*1,056,672*
Total net assets			5,622,361		*5,232,374*
Charity funds					
Restricted funds	18		8,858		*2,712*
Unrestricted funds	18		5,613,503		*5,229,662*
Total funds			5,622,361		*5,232,374*

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Signed by:
Michelle Kabia
817C4761C49C482...

Ms. M. A. Kabia
(Chair of Trustees)

Date: 27 March 2026

The notes on pages 18 to 35 form part of these financial statements.

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The Mortimer Society
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 October 2025

	Note	2025 £	*2024 £*
Cash flows from operating activities			
Net cash used in operating activities	20	530,393	*78,820*
Cash flows from investing activities			
Dividends, interests and rents from investments		49,606	*49,768*
Purchase of intangible assets		(6,930)	-
Purchase of tangible fixed assets		(155,917)	*(335,700)*
Net cash used in investing activities		(113,241)	(285,932)
Change in cash and cash equivalents in the year		417,152	(207,112)
Cash and cash equivalents at the beginning of the year		1,059,812	*1,266,924*
Cash and cash equivalents at the end of the year	21	1,476,964	*1,059,812*

The notes on pages 18 to 35 form part of these financial statements

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Notes to the Financial Statements
For the Year Ended 31 October 2025

1. General information

The Mortimer Society is a charitable company limited by guarantee, registered in England and Wales. Its registered office is 42 Hollywood Lane, Frindsbury, Rochester, Kent, ME3 8AL.

The nature of the Society's operations and its principal activity is to provide relief of suffering for people with physical and/or learning difficulties and/or physical and/or mental illness of any description, including people suffering from Huntington's disease.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (January 2022) and the Companies Act 2006.

The Mortimer Society meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The currency used in the financial statements is Pound Sterling.

2.2 Going concern

The accounts have been prepared on the going concern basis. The Trustees assess the reasonableness of the assumption of the charity to continue as a going concern for a period of 12 months from the date the financial statements are signed.

The considerations made in this assertion include the review of the current and future operations of the Society, together with a review of its cash and reserves position up to the end of March 2027. The free reserves of the Society are currently inline with its stated reserves policy, as detailed on page 8 of the Trustees' Report, which is considered appropriate to provide the Society with enough flexibility to continue to provide a high standard of care to its beneficiaries should there be any interruption in the receipt of income.

No material uncertainties that may cast significant doubt about the ability of the Society to continue as a going concern have been identified by the Trustees.

2.3 Income

All income is recognised once the Society has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

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2. Accounting policies (continued)

2.3 Income (continued)

Provision of care services

Fees from a contract to provide care related services are recognised in the period in which the services are provided on an accruals basis. Any fees invoiced in advance are included within deferred income until the service has been provided. Fees that are invoiced in arrears are included within accrued income, based on the fixed fee rate for each individual resident. The Society's charitable activities are exempt from Value Added Tax. Income from investments and bank interest is included when receivable and the amount can be measured reliably.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Society to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Society's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Society and include the audit fees and costs linked to the strategic management of the Society.

2.5 Taxation

The Society is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Society is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively in the pursuance of charitable purposes. No tax charge has arisen in the year.

2.6 Intangible assets and amortisation

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	-	10 %

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2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Over 50 years
Integral features (included within buildings)	- Over 15-20 years
Freehold land	- Nil
Motor vehicles	- Over 3 years
Household furniture and equipment	- Over 5 years

2.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition, a fixed 6 month maturity or opening of the deposit or similar account.

2.10 Liabilities and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount.

2.11 Financial instruments

The Society only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.13 Pensions

The Society operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Society to the fund in respect of the year.

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2. Accounting policies (continued)

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Useful Economic Life of Assets

Given that the Society's tangible fixed assets comprise land and buildings and different items of furniture and equipment, significant judgements have to be made by management and the Trustees in determining the useful economic lives of these assets.

4. Income from donations and legacies

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**	*Total funds 2024 £*
Donations	6,331	19,200	25,531	*4,401*
Grants	-	5,966	5,966	*108,413*
Total 2025	6,331	25,166	31,497	*112,814*
Total 2024	*12,901*	*99,913*	*112,814*	

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5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Provision of care services	5,702,637	5,702,637	*4,943,726*
Total 2024	*4,943,726*	*4,943,726*	

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Fundraising	1,992	1,992	*2,830*
Total 2024	*2,830*	*2,830*	

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Bank deposit interest	49,606	49,606	*49,768*
Total 2024	*49,768*	*49,768*	

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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Fundraising	10,500	10,500	*19,085*
Total 2024	*19,085*	*19,085*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	*Total 2024 £*
Provision of care services	5,372,425	12,820	5,385,245	*5,036,667*
Total 2024	*5,018,249*	*18,418*	*5,036,667*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	*Total funds 2024 £*
Provision of care services	4,983,323	401,922	5,385,245	*5,036,667*
Total 2024	*4,583,372*	*453,295*	*5,036,667*	

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10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2025 £	*Total funds 2024 £*
Staff costs	3,714,382	*3,337,441*
Depreciation	213,769	*197,462*
Staff recruitment	17,220	*11,728*
Travel and other staff costs	98,799	*83,731*
Resident costs including food and household expenses	504,769	*473,549*
Property costs	188,316	*192,485*
Insurance	45,092	*41,088*
Agency costs	191,845	*222,383*
General office costs	8,162	*23,079*
Professional fees	-	*426*
Bad debts	969	-
	4,983,323	*4,583,372*

Analysis of support costs

	Total funds 2025 £	*Total funds 2024 £*
Staff costs	322,766	*368,961*
General office costs	62,227	*59,775*
Communications	4,285	*4,575*
Professional fees	4,268	*6,100*
Bank charges	1,144	*1,122*
Governance costs	7,232	*12,762*
	401,922	*453,295*

11. Auditor's remuneration

	2025 £	*2024 £*
Fees payable to the Society's auditor for the audit of the Society's annual accounts (inclusive of VAT)	11,760	*11,040*

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12. Staff costs

	2025 £	*2024 £*
Wages and salaries	3,625,530	*3,387,316*
Social security costs	331,549	*244,141*
Pension costs	80,069	*74,945*
	4,037,148	*3,706,402*

During the year the Society made a redundancy payment totalling £Nil (2024: £38,796). This payment was made to one employee as part of an agreed redundancy. The costs have been included within staff costs in the Statement of Financial Activities.

The redundancy payment was made in accordance with the Society's contractual obligations. No amounts were outstanding at the Balance Sheet date.

The average number of persons employed by the Society during the year was as follows:

	2025 No.	*2024 No.*
Provision of care services	131	*130*
Administration and support	12	*12*
Senior management	2	*3*
	145	*145*

The average headcount expressed as full-time equivalents was:

	2025 No.	*2024 No.*
Provision of care services	118	*125*
Administration and support	10	*10*
Senior management	2	*3*
	130	*138*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	*2024 No.*
In the band £60,001 - £70,000	-	*1*
In the band £70,001 - £80,000	1	-

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the Senior Management Team. The total aggregate amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charity was £187,677 *(2024: £246,962).*

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13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 October 2025, £233 was reimbursed to 2 Trustees for honorary or recognition gifts for retiring members of the Board of Trustees.

In the prior year, expenses totalling £32 were reimbursed to 1 Trustee in respect of mileage.

14. Intangible assets

	Computer software £
Cost	
Additions	6,930
At 31 October 2025	6,930
Amortisation	
Charge for the year	347
At 31 October 2025	347
Net book value	
At 31 October 2025	6,583
At 31 October 2024	-

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15. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 November 2024	5,751,762	72,367	655,487	6,479,616
Additions	108,408	4,459	43,050	155,917
Disposals	-	-	(38,128)	(38,128)
At 31 October 2025	5,860,170	76,826	660,409	6,597,405
Depreciation				
At 1 November 2024	1,692,931	72,367	538,616	2,303,914
Charge for the year	153,378	618	59,426	213,422
On disposals	-	-	(38,128)	(38,128)
At 31 October 2025	1,846,309	72,985	559,914	2,479,208
Net book value				
At 31 October 2025	4,013,861	3,841	100,495	4,118,197
At 31 October 2024	*4,058,831*	-	*116,871*	*4,175,702*

Included in land and buildings is freehold land with an estimated cost of £179,608 which is not depreciated.

16. Debtors

	2025 £	*2024 £*
Due within one year		
Trade debtors	230,124	*258,688*
Other debtors	4,242	*3,905*
Prepayments	24,373	*24,772*
	258,739	*287,365*

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17. Creditors: Amounts falling due within one year

	2025 £	*2024 £*
Trade creditors	50,871	*75,871*
Other taxation and social security	78,630	*55,471*
Other creditors	43,862	*72,473*
Accruals and deferred income	64,759	*86,690*
	238,122	*290,505*

	2025 £	*2024 £*
Deferred income at 1 November	51,472	*47,208*
Resources deferred during the year	53,346	*51,472*
Amounts released from previous periods	(51,472)	*(47,208)*
	53,346	*51,472*

Income relating to the provision of care services has been deferred as it was received in advance of the agreed performance obligation. The Society has not met the criteria to recognise this income as revenue and it has been deferred until the revenue recognition criteria has been met.

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Notes to the Financial Statements
For the Year Ended 31 October 2025

18. Statement of funds

Statement of funds - current year

	Balance at 1 November 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2025 £
Unrestricted funds					
Designated funds					
Birling House donations	5,127	5,814	(5,417)	(3,995)	1,529
Frindsbury House donations	1,914	517	(601)	-	1,830
Fixed assets	4,175,702	-	(213,769)	162,847	4,124,780
Birling House Fundraising	5,689	1,368	(1,985)	-	5,072
Frindsbury House Fundraising	1,577	624	(232)	-	1,969
The Dorothy Twiggins Charitable Trust	3,839	-	4,661	(8,500)	-
	4,193,848	8,323	(217,343)	150,352	4,135,180
General funds					
General Funds - all funds	1,035,814	5,752,243	(5,165,582)	(144,152)	1,478,323
Total Unrestricted funds	5,229,662	5,760,566	(5,382,925)	6,200	5,613,503
Restricted funds					
Cantiacorum Foundation	855	1,100	(883)	-	1,072
Charlotte Marshall Charitable Trust	452	490	(686)	-	256
HDH Wills 1965 Charitable Trust	1,405	-	(1,405)	-	-
The Whitehead Monckton Charitable Foundation	-	1,000	(1,000)	-	-
Medway Council	-	376	-	-	376
The Iron Bridge Trust	-	2,000	(2,000)	-	-
The Sir James Roll Charitable Trust	-	1,000	-	-	1,000
The Michael & Anna Wix Charitable Trust	-	200	-	(200)	-
Other Restricted Income	-	19,000	(6,846)	(6,000)	6,154
	2,712	25,166	(12,820)	(6,200)	8,858
Total of funds	5,232,374	5,785,732	(5,395,745)	-	5,622,361

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18. Statement of funds (continued)

Designated funds

The Birling and Frindsbury House designated funds hold donations received at each house during the year. These individual funds will be used to fund purchases of items outside of the general operating budget of the charity and the managers and staff at each of the homes will be able to suggest ideas on how they believe this should be spent.

The designated fixed assets fund represents the net book value of tangible and intangible assets. An amount is transferred to or from the fund each year representing the movement in the net book value of tangible fixed assets at the year end.

Unrestricted funds

These are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

Cantiacorum Foundation
The Society received funds in the previous year to fund music therapy at Frindsbury House. The funds brought forward into 24/25 financial year were fully spent in the year.
Further monies were received from the Foundation of £1,100 towards activities for residents at Frindsbury House. The remaining funds will be spent in the 25/26 financial year.

Charlotte Marshall Charitable Trust
The Society received a grant towards a cocoon bed system at Frindsbury House in the 23/24 financial year. The remaining funds will be spent in the 25/26 financial year.
Further monies were received from the Trust of £490 towards activities for residents at Frindsbury House. These funds were fully spent in the year.

HDH Wills 1965 Charitable Trust
The Society received funds towards activities for residents at Frindsbury House. The funds brought forward into 24/25 were fully spent in the year.

The Whitehead Monckton Charitable Foundation
The Foundation granted £1,000 towards activities for residents at Birling House. The funds were fully spent in the year.

Medway Council
The local council provided funding of £376 for new shower trolleys at Frindsbury House. The expenditure will take place in the 25/26 financial year.

The Iron Bridge Trust
TheTrust provided £2,000 to support activities for residents at Birling House. The funds were fully spent in the year.

The Sir James Roll Charitable Trust
The Trust provided a grant of £1,000 for resident activities at Frindsbury House. Expenditure will take place in the 25/26 financial year.

The Michael & Anna Wix Charitable Trust
The Trust provided £200 to support the purchase of air conditioning units at Frindsbury House. The funds were fully spent in the year.

Other Restricted Income
The Society received £19,000 funding for restricted purposes / projects . The remaining funds will be spent in the 25/26 financial year.

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18. Statement of funds (continued)

tatement of funds - prior year

	Balance at 1 November 2023 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 October 2024* £
Unrestricted funds					
Designated funds					
Birling House donations	*7,299*	*1,717*	*(3,889)*	-	*5,127*
Frindsbury House donations	*53*	*2,684*	*(823)*	-	*1,914*
Fixed assets	*4,037,464*	-	*(197,462)*	*335,700*	*4,175,702*
Birling House Fundraising	*7,283*	*987*	*(2,581)*	-	*5,689*
Frindsbury House Fundraising	*980*	*732*	*(135)*	-	*1,577*
The Dorothy Twiggins Charitable Trust	-	*8,500*	*(4,661)*	-	*3,839*
	4,053,079	*14,620*	*(209,551)*	*335,700*	*4,193,848*
General funds					
General Funds - all funds	*955,813*	*4,994,605*	*(4,827,783)*	*(86,821)*	*1,035,814*
Total Unrestricted funds	*5,008,892*	*5,009,225*	*(5,037,334)*	*248,879*	*5,229,662*

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18. Statement of funds (continued)

	Balance at 1 November 2023 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 October 2024* £
Restricted funds					
Cantiacorum Foundation	-	*3,420*	*(2,507)*	*(58)*	*855*
Charlotte Marshall Charitable Trust	-	*452*	-	-	*452*
HDH Wills 1965 Charitable Trust	-	*2,000*	*(595)*	-	*1,405*
Medway Council	-	*400*	*(400)*	-	-
The Iron Bridge Trust	*2,000*	-	*(2,000)*	-	-
The Sir James Roll Charitable Trust	-	*1,500*	*(1,500)*	-	-
Albert Gubay Charitable Foundation	*160,867*	-	-	*(160,867)*	-
Garfield Weston Foundation	*7,081*	-	-	*(7,081)*	-
Screwfix Foundation	*148*	-	*(148)*	-	-
The Hospital Saturday Fund	-	*2,800*	*(800)*	*(2,000)*	-
Percy Bilton Charity	-	*3,841*	*(3,841)*	-	-
The Edward Gosling Foundation	-	*25,000*	-	*(25,000)*	-
The Clothworkers Foundation	-	*50,000*	-	*(50,000)*	-
Douglas Arter Foundation	-	*500*	*(500)*	-	-
Kent County Council	-	*500*	*(500)*	-	-
Gardening with Disabilities	-	*1,500*	*(1,500)*	-	-
The Lawson Trust	-	*8,000*	*(4,127)*	*(3,873)*	-
	170,096	*99,913*	*(18,418)*	*(248,879)*	*2,712*
Total of funds	*5,178,988*	*5,109,138*	*(5,055,752)*	-	*5,232,374*

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	4,118,197	-	4,118,197
Intangible fixed assets	6,583	-	6,583
Current assets	1,726,845	8,858	1,735,703
Creditors due within one year	(238,122)	-	(238,122)
Total	5,613,503	8,858	5,622,361

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total funds 2024 £*
Tangible fixed assets	*4,175,702*	-	*4,175,702*
Current assets	*1,344,465*	*2,712*	*1,347,177*
Creditors due within one year	*(290,505)*	-	*(290,505)*
Total	*5,229,662*	*2,712*	*5,232,374*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	*2024 £*
Net income for the year (as per Statement of Financial Activities)	389,987	*53,386*
Adjustments for:		
Depreciation charges	213,422	*197,462*
Amortisation charges	347	-
Dividends, interests and rents from investments	(49,606)	*(49,768)*
Decrease/(increase) in debtors	28,626	*(108,188)*
Decrease in creditors	(52,383)	*(14,072)*
Net cash provided by operating activities	530,393	*78,820*

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21. Analysis of cash and cash equivalents

	2025 £	*2024 £*
Cash in hand	1,476,964	*1,059,812*
Total cash and cash equivalents	1,476,964	*1,059,812*

22. Analysis of changes in net debt

	At 1 November 2024 £	Cash flows £	At 31 October 2025 £
Cash at bank and in hand	1,059,812	417,152	1,476,964
	1,059,812	417,152	1,476,964

23. Capital commitments

	2025 £	*2024 £*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	*80,256*

The prior year commitment referred to fire safety and fire compartmentalisation works at Birling House - the works began in November 2024 and were completed in 24/25.

24. Pension commitments

The Charity operates a defined contribution pension scheme open to all permanent employees. During the year the Charity contributed £80,069 *(2024: £74,945)* on behalf of employees who have opted into the scheme. Of these contributions £15,826 *(2024: £31,596)* remained outstanding at the balance sheet date and is included within current liabilities.

25. Operating lease commitments

At 31 October 2025 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	*2024 £*
Not later than 1 year	13,853	*15,808*
Later than 1 year and not later than 5 years	9,930	*20,699*
	23,783	*36,507*

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26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

Expenditure related transaction

During the year, the Society received payroll and human resources services from TC Kent Limited and Crossley HR Holdings Ltd. These service arrangements were already in place prior to the start of the financial year.

On 20 March 2025, Mr T. Rose was appointed as a Trustee of the Society. Mr T. Rose is also a Director of both TC Kent Limited and Crossley HR Holdings Ltd.

The total amount paid to these suppliers during the year was £20,430 (2024: £16,159), of which £13,930 related to services provided after Mr T. Rose became a Trustee. All services were provided on normal commercial terms and at market rates.

At the balance sheet date, the amount outstanding to these suppliers was £1,804.

Income related transactions

During the year the Society received donations totalling £19,200 (2024: £600) from 2 Trustees, without conditions that would require the Society to significantly alter the nature of its existing activities.

THE MORTIMER SOCIETY

England & Wales - Charity number 287579

Accounts

Docusign Envelope ID: BFA713D2-67F0-4B9D-85D8-2AEB0E734B6F

Registered number: 01741444
Charity number: 287579

The Mortimer Society

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 October 2024

Docusign Envelope ID: BFA713D2-67F0-4B9D-85D8-2AEB0E734B6F

The Mortimer Society
(A Company Limited by Guarantee)

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The Mortimer Society
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees' and Advisers
For the Year Ended 31 October 2024

Trustees

Dr D J Oliver, Chair
Mr K Lagden, Vice Chair
Mrs V Lepadden (resigned 20 November 2024)
Mrs C Clinton
Mrs C Neville
Mrs J Hackett
Ms Natalie Farley (appointed 13 December 2023)

Company registered number
01741444

Charity registered number
287579

Registered office
42 Hollywood Lane
Frindsbury
Rochester
Kent, ME3 8AL

Chief Executive Officer

Mr Paul Studd

Executive Management Team

Mrs Susan Matthews, Head of Operations
Mrs Elaine Runeckles, Head of Care, Quality & Compliance (resigned 29 February 2024)
Mrs Geraldine La Thangue, Head of Care, Birling House and Frindsbury House (appointed 2 January 2024 and resigned 25 September 2024)

Independent auditor

UHY Hacker Young
Thames House, Roman Square
Sittingbourne
Kent, ME10 4BJ

Bankers

National Westminster Bank Plc
5 Market Place
Hampton Wick
Kingston upon Thames
Surrey, KT1 1JX

Solicitors

Russell-Cooke LLP
2 Putney Hill
Putney
London, SW15 6AB

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The Trustees present their annual report together with the audited financial statements of the charitable company for the period 1 November 2023 to 31 October 2024. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities SORP (FRS 102) (second edition), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102)".

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Society gives due regard to the guidance published by the Charity Commission on public benefit and the Trustees consider the Charity is compliant. The purpose of the Society, as set out in the Society's Memorandum of Association, is to provide relief for those in need by reason of ill health or disability particularly a physical and/or a learning disability, and particularly those people suffering from Huntington's Disease and other neurological conditions.

Strategies for achieving objectives

The objectives are achieved through the provision of long-term residential care for adults across two residential homes owned by the charity, Birling and Frindsbury House. One of the homes is in West Kent and the other in Medway but both welcome clients from all over the country. Most of our residents are sponsored by their Local Authority Social Services or by their NHS Integrated Commissioning Boards. Prior to admission to either of our homes, a full pre-admission assessment of a prospective resident is carried out with the help of relatives and the social care case manager and other social care professionals to ensure that we can provide the most appropriate level of care and support.

No one receives any private benefit from the charity other than the care services we provide.

Activities for achieving objectives

By considering our aims, objectives, and activities each year, we strive to deliver the most effective and beneficial outcomes. We also ensure that the environment of our homes and the activities and services we provide make our homes attractive to prospective residents, their families, and commissioners. In each home we offer:

- An integrated Activities Team
- Well-equipped Activity Suites including the provision of facilities such as family accommodation, TV, hairdressing salon, PC and Tablets with internet access and interactive game table with Wi-Fi connectivity
- Adapted mini-buses and an MPV for the benefit of the residents
- Wheelchair accessible gardens with sensory features for the enjoyment of residents and their families and visitors
- Regular visits by musicians and entertainers
- Trips to the theatre, cinema, shopping, and places of individual interest
- Music therapy, aromatherapy, chiropody, and counselling
- Speech and language therapy – service provided by Medway Community Healthcare and privately contracted services
- Multi-sensory rooms
- Programmes for Activities of Daily Living
- Residents, Family and Carers assemblies and social events
- Access to laptops and tablets to facilitate communication with families and friends through Zoom, WhatsApp, FaceTime, and other online social media channels.

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Involvement of Volunteers

Volunteers from local schools and colleges may be involved in visiting residents who have no family contacts. One volunteer, an ex-staff member of the Activities team, visits Birling House on a regular basis to support residents and staff with various social activities such as visits to the local pubs for lunch and accompanying residents on days out on boat trips. On occasions other ex-members of staff or family members of deceased residents deliver buddy support to residents at Birling House who have no family or do not receive regular visitors.

Advocacy

The Society has close links to the Independent Mental Capacity Advocacy (IMCA) service provided by the Advocacy People. The service provides support on a confidential basis for residents who are unable to represent themselves and have no close family and friends.

Mandatory and Specialised Training

Staff training is carried out regularly and includes: Fire Safety, Health and Safety, Safeguarding of Vulnerable Adults, Infection Prevention and Control, Moving and Handling, Mental Capacity and Deprivation of Liberty, Food Hygiene and First Aid. In addition to this training, we also offer staff training on a wide range of subjects including Medication, Report Writing, Equality and Diversity, LGBTQ, Communication Skills, Huntington's disease, Multiple Sclerosis, Parkinson's disease, autism, learning disability and Dementia. The Society also prides itself in providing support to new employees who are new to social care as part of their induction process, in achieving the Care Certificate. This qualification is an agreed set of standards published by Skills for Care that sets out the knowledge, skills and behaviours expected of specific job roles by workers in the health and social care sectors. The Certificate comprises of 15 minimum standards and forms part of any new employee's robust induction programme over a period of 12 weeks.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Activities and achievements during the year

The year has again been exceptionally challenging in ensuring the stability and provision of care to the residents. The issues with funding from the authorities who place residents into our care has continued. There has been a major challenge in obtaining appropriate increases in funding from authorities in line with the rate of inflation and the costs of care, such as increased costs for food and utilities and the National Living Wage provision, leaving a deficit in providing the cost of care. Negotiations have taken place with authorities and these will continue in the coming years.

The pressures around the recruitment and retention of staff have eased during this year with the turnover of staff being much improved but nevertheless some newly appointed staff members continue to leave after a short period of time. This reflects a national issue, with caring not seen as a long-term career and to be poorly paid. The Executive Team have worked very hard at addressing these issues, with increased flexibility in the recruitment process, support of new staff and an ongoing support for all staff. We have aimed to provide a reasonable pay increase and other support for staff.

Staff

Over the years, Birling House and Frindsbury House have built up a strong reputation for the quality of care, kindness and support given to our residents and their families by our staff. The Society has been very fortunate to have a loyal and dedicated staff team in both homes who are valued and keen to provide for the individual care needs and aspirations of our residents to deliver the required person-centred outcomes. During the last year the recruitment and retention of staff has seen a marked improvement with the Society's staff turnover stabilising and now much lower than has been experienced in prior years and has provided a consistent staff base allowing the enhanced care which is our normal level of service. Staffing issues continue to remain at the top of the agenda across the care sector generally.

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The pay increases to all staff included meeting the National Living Wage of 9.9% with incremental increases for all staff. Extra support has been provided with counselling and support available to all staff from Health Assured which provides confidential support, advice and counselling for staff.

Despite these challenges and pressures, we have continued to stress the high importance on the personal and professional development of staff which encourages initiative and innovation. Our comprehensive induction programme for all staff reflects the Society's principles, aims, and values through which they are encouraged to contribute to the future planning and development of the service.

Staff have continued to undertake many activities in-house to provide enjoyment and entertainment and support for residents who have been unable to leave the homes and for those who have received limited visiting by friends and families. These activity and social entertainment days include birds of prey, Alpaca, and reptile visits, hatching of ducks and chicks and performances by singers and entertainers with families and friends also being invited to attend. These activities have been supported by the charitable donations from residents and families and charitable events held by staff throughout the year.

There has also been the opportunity this year to reorganise the management structure at the Society. A new post of Head of Care and Registered Manager with the CQC for the Society has been developed and implemented and the postholder will lead the Home Managers and care teams to deliver the highest possible quality care for people with complex needs.

Staff Training

The organisation is committed to an extensive training programme for all our staff and this has continued throughout the year including working towards Diploma qualifications at level 2 and level 3 in Health and Social Care through the Qualifications Credit Framework (QCF). This ensures our staff are better trained than is perhaps the norm in residential care homes in this area of practice.

The on-line training programme delivered by Care Tutor delivers the necessary mandatory courses for all categories of employees with care staff being expected to complete 32 modules for which they are recompensed if completed in their own time which are refreshed every two or three years depending on the course subject. This programme has continued to be extremely effective which means that it will continue to be the method of delivering all training in the future except for any practical training that has to be undertaken face to face such as first aid, moving and handling and Safeguarding of Vulnerable Adults which is delivered by both methods.

All new staff undertake an in-depth induction process which must be completed within a 12-week period and gives each person a full understanding of the responsibilities of their role, the quality of care we provide and expect to be delivered which will give everyone the opportunity to explore the working practices and environments at both of our homes. All staff are encouraged to practice the aims, beliefs and values of the Society in order to deliver high-quality person-centred care to everyone.

Occupancy levels

The Society's financial performance depends on overall room occupancy and the level of weekly fees paid on behalf of our residents by the local authorities and the NHS Integrated Commissioning Boards (ICBs). The Society is registered with the Care Quality Commission for 29 rooms at Birling House (29 residents) and 23 rooms (23 residents) at Frindsbury House. In 2023/24, the Society achieved an overall average occupancy rate of 93.75%, with Birling House achieving an occupancy level of 91.1% and Frindsbury House achieving 96.4%. Birling House occupancy level was reduced for several weeks due to the lift being out of operation and rooms on the upper levels could not be used during this period. This has been rectified and all rooms are now in use.

Capital Reinvestment - Fabric and equipment

Capital reinvestment into the Society from reserves was limited in 2023/24 with a conscious decision to minimise expenditure from reserves due to the likely high level of day-to-day operational costs in the current year. As a result, the annual capital budget for 2023/24 was reduced to a contingency fund of £25,000 for essential capital expenditure. By the end of the financial year this fund was utilised to the value of £7,133 with one item estimated to cost £3,900 being carried over to 2024/25. Other capital expenditure was limited to items that could be funded from fundraising.

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The sensory garden at Frindsbury House was completed in 2024 with disabled access. Residents enjoyed being involved in the design and in participating with the choice of planting and developing the area to their preference, promoting a sense of worth and well-being along with their independence. The result is a pleasant and stimulating atmosphere and environment that can be used and enjoyed by residents and their families and friends. Fundraising towards the cost of the sensory garden at Frindsbury House was achieved by our fundraiser with almost £14,000 being raised towards the total cost of £32,000 to fund this development.

The major development project for 2023/24 was the installation of a new passenger lift at Frindsbury House to serve all three floors of the home. This large 26-week project was started in October 2023 and was completed in May 2024 and is now in operation providing added benefits for existing residents as they can access different parts of the building more easily and quickly and it will also act as an enhanced facility in the case of emergencies. This facility also greatly benefits the staff who can move residents around the building much more easily and with greater dignity.

This capital project cost approximately £320,000 including the retention money yet to be paid to the building contractor but the Society received several generous donations totalling £283,000 from charitable foundations towards the cost, without which the project would not have been possible. These charitable foundations included the Albert Gubay Foundation, the Clothworkers Foundation, Bernard Sunley Foundation, the Edward Gostling Foundation, the Garfield Weston Foundation and the Hospital Saturday Fund.

The official opening of the lift was carried out on 1st November 2024 by Lauren Edwards MP for Rochester and Strood.

Care Quality Commission

Birling House was last inspected by the CQC on 11 July 2017 under the new inspection regime looking at the five key lines of inquiry where questions are asked about the service being (1) Safe (2) Effective (3) Caring (4) Responsive and (5) Well-Led. The outcome of the inspection was that the service was rated 'Good' in all areas and was awarded an overall rating of 'Good' . No further visits have been carried out to date despite CQC changing and implementing new ways of working to carry out their compliance inspections with the imminent introduction of the single assessment framework.

Frindsbury House was last inspected by the CQC on 12 February 2019 and the service was awarded the rating of 'Good' in all five key lines of inquiry. No further visits have been carried out by the CQC since this date.

During 2023/24 the CQC have continued to introduce a new strategy for the changing world of health and social care and the way they regulate to improve the care for everyone, aiming to be more relevant to the way care is delivered, more flexible to manage risk and uncertainty and enabling them to respond in a quicker and more proportionate way as the health and care environment continues to evolve. The Single Assessment framework is being introduced to strengthen their commitment to deliver their purpose; to ensure health and social care services provide people with safe, effective, compassionate, high-quality care and to encourage those services to improve. Throughout 2024, the CQC were committed to implementing this further new way of working with care providers and this method is the means by which health and social care organisations will work together to ensure that assessment and subsequent care planning for people are person-centred, effective and coordinated but this has been delayed and full implementation will not be until 2025/26.

During the last 4 years, the CQC have suspended their routine inspection programme following the Covid-19 pandemic in 2020 and do not intend to resume it unless they consider there are risks associated with the service being identified. They have continued to use a mix of intelligence gathering information to ensure the public have assurance as to the safety and quality of the care that is being delivered.

The CQC carryout a regular review of the data that is available to them and to date they have not found any evidence to suggest that they need to carry out an inspection or reassess the ratings at either home which are currently both rated as 'Good' in all five areas of inspection.

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FINANCIAL REVIEW

Financial risk management objectives and policies

The Society produced a small surplus of £53,386 for the year ended 31 October 2024 following disappointing results in the prior two years from charitable activities. Compared with the previous year, the total income increased by £354,298 from the previous year and the expenditure increased by £287,871. However, this out-turn includes monies from fundraising for specific projects, the majority of which has been capitalised as tangible fixed assets on the Balance Sheet. Prior to this capitalisation, the Society's management accounts for the year showed an excess of expenditure over income of £179,337. Although the Society has experienced a marginal increase in cash reserves compared with previous financial years in the accounts, the true position is a reduction in the reserves of £166,347 as demonstrated by the table on the following page. Further capital reinvestment will have to be carefully monitored together with detailed reviews of the fee income and expenditure levels. However, there are still sufficient reserves to allow the Society to remain viable in the coming years.

Staffing costs accounted for 81.3p out of every £1 of fee income in the 2023/24 financial year compared with 73.6p in the prior year. Many of our residents require a very high level of specialised individual and complex care making it is necessary to have high staffing levels and highly trained and experienced staff to deliver this unique and person-centred service which maintains the professionalism and reputation of the Society's charitable purpose. There have been some issues in the recruitment and retention of staff which has been seen nationally within the care sector and this has increased staffing costs. Measures are being taken to reduce the costs as far as possible but national measures may be needed to address this problem.

During 2023/24 most of sponsoring authorities/Integrated Care Boards (ICBs) awarded inflationary increases in weekly fees to recognise the ongoing and increasing cost of the National Living Wage each year and the general cost of living rises on goods and services, but the percentage increases were not sufficient in recognising the extremely high level of inflation or the actual level of pay increases awarded out of necessity to retain staff. Unfortunately, some authorities offered no increase at all or were actively seeking to reducing their costs in line with their budget constraints.

We have little control over many of the fixed and variable costs, for instance food and drink, utilities, repairs and maintenance costs and equipment service agreements which have all been subject to a substantial price increase in line with or above, the general inflation rate level. At the same time the ever-increasing regulation of the care sector brings year on year additional costs which must be borne and absorbed without any consideration being given to the impact that may have on the operation of individual care homes. This situation has arisen because of local government restrictions imposed by central government and national action will be necessary as this situation cannot continue in the future without impacting on the services we can provide. We have met with all authorities during the year to discuss these issues and the careful reassessment of the residents' needs and costings has led to increased fees for many residents. These reassessments are continuing and should lead to increased income.

As a charity we strive to deliver high-quality, cost-effective care at a fair and true price. However, our income must at least meet our expenditure and allow us to continue to invest for the future. We sincerely hope that our sponsoring authorities will recognise that if charitable residential care homes such as the Mortimer Society are to continue, fee income must reflect the true cost of caring for our residents who have very high dependency and complex care needs. The funding authorities must also recognise and attempt to meet the increasing pay rates resulting from the imposed year on year increases in the National Living Wage through the future years ahead.

Going Concern

The level of total reserves has increased at the end of the 2023/24 financial year to £5,232,374 compared with the prior year of £5,178,988, an increase of £53,386. However, this surplus position includes the monies received from fundraising. The Fundraiser has been able to raise monies for equipment and the new lift at Frindsbury House and these monies have been received in advance of the building work starting.

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	2024	*2023*
	£	*£*
Overall net movement in funds for the period per SoFA (Surplus/(deficit))	**53,386**	*(13,041)*
(Increase)/ decrease in designated fixed asset fund	(138,238)	*51,698*
Less: restricted grant donations and expenditure for capital projects	(81,495)	*(222,554)*
Operational deficit for the year	**(166,347)**	*(183,897)*

Various reasons for the decrease include:

1. Although fee income levels for new admissions have improved over the financial year and occupancy levels have remained good throughout the year, the restriction in the use of the rooms on the upper levels at Birling House for several weeks due to delays in the repair of the lift, did cause a substantial but temporary reduction in income estimated as £50,160. Fees for legacy residents have not kept pace with inflation due to the extreme cost-of-living crisis during 2024 but reassessment of their needs has led to increased fees and this will continue in the coming year.

2. Although staffing levels and turnover have greatly improved during the past year, recruitment and retention problems continue to face the care sector generally and as a result the staffing expenditure significantly increased because of the high increase of 9.78% in the National Living Wage and the use of agency staff to cover sickness absence and providing 24 hours per day 1:1 care for certain residents.

The Society is actively fundraising through a contracted fundraiser, and this has been very successful throughout 2023/24 which had a positive impact on the budget through these very tough and challenging times and the position is being effectively managed. A total of £99,913 of restricted and £8,500 of unrestricted grant income was received for specific capital projects during the year and the donors are personally thanked for their contribution in making these projects a reality.

After making appropriate enquiries and considering the above points, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Donations

The Society also received a small sum of £2,830 from local fundraising income as a result of either staff or families arranging social activities such as charity football matches and other events and also internal activities organised by staff for the benefit of the residents such as coffee and cake mornings.

During the year small values of donations were received from families and friends of £4,401 at 31 October 2024 which is included in the total reserves figure below. The expected timing of expenditure of donations received would be within 12 months of receipt and would be spent for the benefit of all the residents.

Fundraising

As noted above, the Society continues to engage the services of an external fundraising consultant, who is a member of the Chartered Institute of Fundraising. The fundraiser researches and submits grant applications to trusts and foundations, specifically to help fund the annual capital programme. Fundraising is not sought from individuals or the general public.

The Society received a total of £108,413 of grant funding from various sources including £2,800 from the Hospital Saturday Fund, £25,000 from the Edward Gosling Foundation, £500 from Kent County Council, £50,000 from the Cloth Workers Foundation, £500 from the Douglas Arter Foundation, £1,500 from the Sir James Roll Charitable Trust, £452 from the Charlotte Marshall Charitable Trust, £1,500 from the Gardening with Disabilities Trust, £400 from Medway Council, £3,420 from the Cantiacorum Foundation, £8,000 from the Lawson Trust, £3,841 from the Percy Bilton Charity, £8,500 from the Dorothy Twiggins Charitable Trust and £2,000 from the HD Wills 1965 Charitable Trust all of which will be classified as restricted funds for the specific purposes of either specialist equipment for residents across both homes and for the new lift project at Frindsbury House.

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The Fundraising Contractor will continue with a programme of fundraising for 2024/25 in anticipation of receiving restricted grants to enable the purchase of more specialist equipment or for extensive capital projects to improve the residential service to our beneficiaries.

Principal risks and uncertainties

A risk management review process is undertaken by the Executive Management Team and has been approved and adopted by the Trustees. This process is monitored through the Society's Corporate Risk Assurance Framework and this is reviewed, updated as appropriate and reported upon to the Board on a quarterly basis.

The review process enables the CEO, executive managers, and Trustees to mitigate risks that might otherwise prevent the Society from achieving its charitable purpose and objectives through its core values.

The Trustees consider the greatest risk at beginning of the financial year was that of the increases in expenditure due to increases in food costs, utilities, and salaries with insufficient increases in funding from authorities. There is the risk that there may be only small and inadequate increases in fees paid by local authorities linked with the significant year on year increased operating costs and staffing costs arising from the National Living Wage through to 2025 and beyond. Moreover, changes in the political and social climate, a further economic downturn would affect the operation of the Charity's business.

The Society has continued to operate the role of Caldicott Guardian this year and an external consultant is now responsible for information governance and acts as the Society's Data Protection Office in collaboration with the nominated individual in recognition of the possible risks surrounding resident data and systems security.

Risks also include a possible shortfall in CQC required outcomes within the service provision and the consequent loss of full compliance which could be a resulting factor. The Society operates a clinical audit and performance management process to rectify any possible failure in standards. The appointment of the Head of Care/Registered Manager in January 2024 with the aim to ensure legal compliance and be responsible for the recently introduced changes in monitoring from the CQC by way of the Single Assessment Framework, will ensure that the requirement of the CQC are met. Unfortunately, the initial postholder resigned after only 9 months in post but the Society is in the process of recruiting a new Head of Care/Registered Manager and hopefully will be appointed in early 2025.

Recruitment and retention of appropriate staff continues to be a main priority in this unprecedented and challenging climate that results in higher costs due to the use of agency provision whose prices have significantly increased in line with all staffing costs due to the high level of inflation and the National Living Wage across the health and social care sector.

Reserves policy

The total reserves at the end of the financial year amounted to £5,232,374 which included the designated fixed asset fund of £4,175,702 which can only be realised on the disposal of the assets and restricted funds of £2,712. Funding from local authorities has received a very high profile this year regarding the possible issuing of Section 114 notices but the Society is managing and monitoring the situation very closely in order to maintain our level of reserves in accordance with our policies and procedures.

At the end of 2023/24 the Society's free reserves stood at £1,053,960 compared with £971,428 at the end of the previous year. During the year the Trustees reviewed the reserves policy and confirmed that an adequate reserve needs to be maintained to allow for any reduction in occupancy levels and for other potential risks and any unexpected eventualities.

The reserves policy agreed by the Board of Trustees currently state that reserves should aim to be maintained at a minimum of three months of basic operating expenditure, which at this current time amounts to around £1,140k. It is hoped that this would be met during 2025.

Trustees continue to review investment opportunities within the framework of the investment policy to maximise the income of the Society with due consideration to protecting the beneficiaries in our care.

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Performance Management

The Board of Trustees have recognised that it is increasingly necessary and good practice for charities to demonstrate organisational performance in the annual reports and accounts.

The Trustees have taken the decision following recommendations by the Charity Commission and our External Auditor to continue to adopt and report upon five key performance indicators (KPIs) for the year ending 31 October 2024.

The five Key Finance Performance Indicators (KFPIs) that are being reported upon in 2023/24 are as follows:

1) Occupancy level
2) Total surplus as a percentage of total income
3) Staffing costs as a percentage of total income by home
4) Staffing costs and operational costs as a percentage of total costs
5) Net current assets position

KPIs serve as a measurable value that demonstrates how effectively an organisation is achieving its key business objectives such as performance and progress in order to help evaluate their success in reaching its strategic goals and specific targets.

The Society's results from the KFPIs in the 2023/24 financial year were as follows:

Key Performance Indicator	**Birling House**		**Frindsbury House**		**Society Total (inc. Central Dept)**	
	Actual	Objective	Actual	Objective	Actual	Objective
Occupancy level	91.1%	98.3%	96.4%	97.8%	93.8%	98.1%
Surplus to Income	8.9%	14.1%	-2.6%	1.50%	3.8%	-2.9%
Staffing costs to Income	74.4%	68.1%	86.2%	82.1%	87.6%	82.4%
Staff costs to Total Costs	82.0%	79.3%	84.0%	83.3%	81.1%	80.1%
Operational Costs to Total Costs	18.0%	20.7%	16.0%	16.7%	18.9%	19.9%
Net Current Assets	n/a	n/a	n/a	n/a	£0.909m	£1.100m

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Society is a registered charity and a company limited by guarantee and as such operates under its Memorandum and Articles of Association, which have received the approval of the Charity Commission.

Method of appointment or election of Trustees

One third of the Trustees must retire at each AGM, those longest in office retiring first. A retiring Trustee who remains qualified may be reappointed. At the date of the Annual General Meeting held on 18 June 2024, two Trustees were eligible to retire by rotation, namely Christine Clinton and Claudette Neville and both were reappointed to remain on the Board for at least a further year in office. Trustee Victoria Lepadden has indicated that she will resign from the Board at the forthcoming meeting on 20 November 2024. New trustees will continue to be recruited in 2024/25.

Policies adopted for the induction and training of Trustees

The Society has an appointment and induction programme for Trustees covering the work of the charity including visits to the two homes and an opportunity to meet the Chair of Trustees, the Chief Executive, Executive Management Team, the staff, and the residents.

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The programme includes an explanation of the latest financial position, the current year's budget and the longer-term strategies and business plans of the Society. New Trustees are given copies of the Memorandum and Articles of Association together with a Trustee Information Pack which includes Terms of Reference, Annual Report and Financial Statement and a list of Policies and Procedures. Ongoing online training is provided to Trustees by Hempson Charity Solicitors on the subject of Governance Principles in respect of legal duties and responsibilities of charity Trustees as well financial governance. The Trustees also undertake online statutory training such as Safeguarding of Vulnerable Adults and GDPR.

Pay policy for senior staff

The goal of the Charity's pay policy is to offer fair pay to attract and retain appropriately qualified staff to lead, manage, support and deliver the Charity's purpose and aims. It will always be consistent with these aims and within an affordable framework.

The Trustees are responsible for setting remuneration levels for the Charity's staff and reviewing pay for the most senior staff. These senior staff are clearly identified by the Trustees and will typically, although not always, be part of the Charity's executive or senior management team.

The Charity's Remuneration Policy follows the National Council for Voluntary Organisation's (NCVO) guidance of which the Mortimer Society is a member and/or the guidance from the Association of Chief Executives in Voluntary Organisations.

Organisational structure and decision making

The Board of Trustees discharges its responsibility of overseeing the management practice of the Society at its quarterly general and additional meetings and by delegating specific projects to sub-groups if appropriate. The Trustees are, at present, the only members of the Mortimer Society and are entitled to attend and vote at all Annual General Meetings.

The day-to-day management of the Society is delegated to the Chief Executive and to the Executive Management Team. The operational management and the running of the two homes is carried out by the Head of Care/Registered Manager with the assistance from the Head of Operations. Major policy questions affecting the future of the Society are discussed between the Executive Management team and the Trustees who are responsible for making the final decisions.

In November 2017 the Society adopted the principles contained in the revised Charity Good Governance Code which is a Code containing seven main principles as recommended by the Charities Commission for use by Charities in England and Wales. The Society continues to operate within these principles which have been adapted and updated in November 2024 to reflect the nature of the business within the care sector. These principles are reviewed annually as part of the strategic review carried out by Trustees with the Executive Management Team.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the Society and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks.

PLANS FOR FUTURE PERIODS

Future developments

The main aims and objectives of the Society during 2024/25 will be to:

- Ensure that the Society's policies and procedures meet statutory requirements and exceed the standards and expectations of our current regulator, the Care Quality Commission (CQC).

- Remain financially viable in an adverse and turbulent economic climate affecting the care sector generally.

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- Aim to negotiate appropriate funding with authorities for all the residents, covering the costs of the specific and specialist care that they require which also includes the fee levels for legacy residents.

- Accomplish staff training programmes relevant to our residents' complex and individual needs to meet the expectations of our residents, sponsoring authorities and the CQC and deliver the required outcomes.

- Continue to utilise available capital to invest in prioritised projects and estate development at both homes as set out in the programmes agreed by the Trustees.

- Continually review the need for new initiatives to improve standards including the delivery of safe care, the catering provision and infection prevention and control to meet the diverse needs of our residents.

- Pursue new business opportunities to provide additional day and respite care placements whenever possible as an introduction opportunity into the service for possible permanent care in the future.

- Continue to review the long-term vision and business diversification strategy in client categories and models of care in line with our expertise and client base.

- Continue to enhance the Society's profile by widening our offer of care to include certain neurological conditions in addition to Huntington's disease for which the Mortimer Society is an experienced and reputable provider. This aim will be aided using the Society's website, social media, and continually revised marketing material.

- Further develop the web based Nourish care management system for residents' care plans and the recording of all daily information which meets CQC compliance standards and enable the organisation to hold residents' electronic records to comply with GDPR regulations.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 safe guarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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AUDITOR

The Society's auditors are appointed by a Resolution of the Society's Annual General Meeting.

At the last AGM, UHY Hacker Young were re-appointed as auditors following a unanimous decision made by the Trustees.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees on 20 March 2025 and signed on their behalf by:

DocuSigned by:
David Oliver
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Dr D J Oliver, Chair

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The Mortimer Society
(A Company Limited by Guarantee)

Independent Auditors' Report to the Trustees of The Mortimer Society

Opinion

We have audited the financial statements of The Mortimer Society (the 'society') for the year ended 31 October 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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Matters on which we are required to report by exception

In the light of our 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 including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

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.

Auditors' 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 Auditors' 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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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 set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

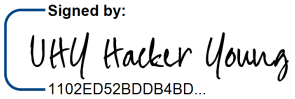
- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of Trustees; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable Society's trustees, 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 Society's trustees those matters we are required to state to them in an Auditors' 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 Society and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

1102ED52BDDB4BD...

Tracey Moore BFP ACA (Senior Statutory Auditor)
for and on behalf of
UHY Hacker Young
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 21 March 2025 | 05:01 PDT

Docusign Envelope ID: BFA713D2-67F0-4B9D-85D8-2AEB0E734B6F

The Mortimer Society
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 October 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income from:					
Donations and legacies	4	12,901	99,913	112,814	*230,564*
Charitable activities	5	4,943,726	-	4,943,726	*4,496,371*
Other trading activities	6	2,830	-	2,830	*2,875*
Investments	7	49,768	-	49,768	*25,030*
Total income		5,009,225	99,913	5,109,138	*4,754,840*
Expenditure on:					
Raising funds	8	19,085	-	19,085	*18,950*
Charitable activities	9	5,018,249	18,418	5,036,667	*4,748,931*
Total expenditure		5,037,334	18,418	5,055,752	*4,767,881*
Net (expenditure)/income		(28,109)	81,495	53,386	*(13,041)*
Transfers between funds	17	248,879	(248,879)	-	-
Net movement in funds		220,770	(167,384)	53,386	*(13,041)*
Reconciliation of funds:					
Total funds brought forward		5,008,892	170,096	5,178,988	*5,192,029*
Net movement in funds		220,770	(167,384)	53,386	*(13,041)*
Total funds carried forward		5,229,662	2,712	5,232,374	*5,178,988*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 36 form part of these financial statements.

Docusign Envelope ID: BFA713D2-67F0-4B9D-85D8-2AEB0E734B6F

The Mortimer Society
(A Company Limited by Guarantee)
Registered number: 01741444

Balance Sheet
As at 31 October 2024

	Note		2024 £		*2023 £*
Fixed assets					
Tangible assets	14		4,175,702		*4,037,464*
Current assets					
Debtors	15	287,365		*179,177*	
Cash at bank and in hand		1,059,812		*1,266,924*	
		1,347,177		*1,446,101*	
Creditors: amounts falling due within one year	16	(290,505)		*(304,577)*	
Net current assets			1,056,672		*1,141,524*
Total net assets			5,232,374		*5,178,988*
Charity funds					
Restricted funds	17		2,712		*170,096*
Unrestricted funds	17		5,229,662		*5,008,892*
Total funds			5,232,374		*5,178,988*

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:
David Oliver
9FB90FF1DCD547F...

Dr. D. Oliver
(Chair of Trustees)

Date: 20 March 2025

The notes on pages 19 to 36 form part of these financial statements.

Docusign Envelope ID: BFA713D2-67F0-4B9D-85D8-2AEB0E734B6F

The Mortimer Society
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 October 2024

	Note	2024 £	*2023 £*
Cash flows from operating activities			
Net cash used in operating activities	19	78,820	*207,538*
Cash flows from investing activities			
Dividends, interests and rents from investments		49,768	*25,030*
Purchase of tangible fixed assets		(335,700)	*(107,279)*
Net cash used in investing activities		(285,932)	(82,249)
Change in cash and cash equivalents in the year		(207,112)	125,289
Cash and cash equivalents at the beginning of the year		1,266,924	*1,141,635*
Cash and cash equivalents at the end of the year	20	1,059,812	*1,266,924*

The notes on pages 19 to 36 form part of these financial statements

Docusign Envelope ID: BFA713D2-67F0-4B9D-85D8-2AEB0E734B6F

Notes to the Financial Statements
For the Year Ended 31 October 2024

1. General information

The Mortimer Society is a charitable company limited by guarantee, registered in England and Wales. Its registered office is 42 Hollywood Lane, Frindsbury, Rochester, Kent, ME3 8AL.

The nature of the Society's operations, and its principal activity is to provide relief of suffering for people with physical and/or learning difficulties and/or physical and/or mental illness of any description, including people suffering from Huntington's disease.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (January 2022) and the Companies Act 2006.

The Mortimer Society meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The currency used in the financial statements is Pound Sterling.

2.2 Going concern

The accounts have been prepared on the going concern basis. The Trustees assess the reasonableness of the assumption of the charity to continue as a going concern for a period of 12 months from the date the financial statements are signed.

The considerations made in this assertion include the review of the current and future operations of the Society, together with a review of its cash and reserves position up to the end of March 2026. The free reserves of the Society are currently inline with its stated reserves policy, as detailed on page 8 of the Trustees' Report, which is considered appropriate to provide the Society with enough flexibility to continue to provide a high standard of care to its beneficiaries, should there be any interruption in the receipt of income.

No material uncertainties that may cast significant doubt about the ability of the Society to continue as a going concern have been identified by the Trustees.

2.3 Income

All income is recognised once the Society has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

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2. Accounting policies (continued)

2.3 Income (continued)

Provision of care services

Fees from a contract to provide care related services are recognised in the period in which the services are provided on an accruals basis. Any fees invoiced in advance are included within deferred income until the service has been provided. Fees that are invoiced in arrears are included within accrued income, based on the fixed fee rate for each individual resident. The Society's charitable activities are exempt from Value Added Tax. Income from investments and bank interest is included when receivable and the amount can be measured reliably.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the Society to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Society's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Society and include the audit fees and costs linked to the strategic management of the Society.

2.5 Taxation

The Society is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Society is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively in the pursuance of charitable purposes. No tax charge has arisen in the year.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Over 50 years
Integral features (included within buildings)	- Over 15-20 years
Freehold land	- Nil
Motor vehicles	- Over 3 years
Household furniture and equipment	- Over 5 years

2.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition, a fixed 6 month maturity or opening of the deposit or similar account.

2.9 Liabilities and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount.

2.10 Financial instruments

The Society only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.12 Pensions

The Society operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Society to the fund in respect of the year.

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2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Useful Economic Life of Assets

Given that the Society's tangible fixed assets comprise land and buildings and different items of furniture and equipment, signifianct judgements have to be made by management and the Trustees in determining the useful economic lives of these assets.

4. Income from donations and legacies

	Unrestricted funds 2024 £	**Restricted funds 2024 £**	**Total funds 2024 £**	*Total funds 2023 £*
Donations				
Donations	4,401	-	4,401	*8,010*
Grants	8,500	99,913	108,413	*222,554*
Total 2024	12,901	99,913	112,814	*230,564*
Total 2023	*8,010*	*222,554*	*230,564*	

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5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Provision of care services	4,943,726	4,943,726	*4,496,371*
Total 2023	*4,496,371*	*4,496,371*	

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Fundraising	2,830	2,830	*2,875*
Total 2023	*2,875*	*2,875*	

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Bank deposit interest	49,768	49,768	*25,030*
Total 2023	*25,030*	*25,030*	

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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Fundraising	19,085	19,085	*18,950*
Total 2023	*18,950*	*18,950*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	*Total 2023 £*
Provision of care services	5,018,249	18,418	5,036,667	*4,748,931*
Total 2023	*4,748,931*	-	*4,748,931*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	*Total funds 2023 £*
Provision of care services	4,583,372	453,295	5,036,667	*4,748,931*
Total 2023	*4,336,821*	*412,110*	*4,748,931*	

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10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of care services 2024 £	Total funds 2024 £	*Total funds 2023 £*
Staff costs	3,337,441	3,337,441	*3,214,960*
Depreciation	197,462	197,462	*158,977*
Staff recruitment	11,728	11,728	*4,244*
Travel and other staff costs	83,731	83,731	*64,373*
Resident costs including food and household expenses	473,549	473,549	*503,704*
Property costs	192,485	192,485	*163,540*
Insurance	41,088	41,088	*38,160*
Agency costs	222,383	222,383	*185,259*
General office costs	23,079	23,079	*2,125*
Professional fees	426	426	*60*
Bad debts	-	-	*1,419*
	4,583,372	4,583,372	*4,336,821*
Total 2023	*4,336,821*	*4,336,821*	

Analysis of support costs

	Provision of care services 2024 £	Total funds 2024 £	*Total funds 2023 £*
Staff costs	368,961	368,961	*313,527*
General office costs	59,775	59,775	*67,348*
Communications	4,575	4,575	*3,868*
Professional fees	6,100	6,100	*17,253*
Bank charges	1,122	1,122	*1,049*
Governance costs	12,762	12,762	*9,065*
	453,295	453,295	*412,110*
Total 2023	*412,110*	*412,110*	

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11. Auditor's remuneration

	2024 £	*2023 £*
Fees payable to the Society's auditor for the audit of the Society's annual accounts (inclusive of VAT)	11,040	*10,656*

12. Staff costs

	2024 £	*2023 £*
Wages and salaries	3,387,316	*3,244,525*
Social security costs	244,141	*219,026*
Pension costs	74,945	*64,936*
	3,706,402	*3,528,487*

During the year the Society made a redundancy payment totalling £38,796 (2023: £nil). This payment was made to one employee as part of an agreed redundancy. The costs have been included within staff costs in the Statement of Financial Activities.

The redundancy payment was made in accordance with the Society's contractual obligations. No amounts were outstanding at the Balance Sheet date.

The average number of persons employed by the Society during the year was as follows:

	2024 No.	*2023 No.*
Provision of care services	130	*128*
Administration and support	12	*12*
Senior management	3	*1*
	145	*141*

The average headcount expressed as full-time equivalents was:

	2024 No.	*2023 No.*
Provision of care services	125	*127*
Administration and support	10	*11*
Senior management	3	*1*
	138	*139*

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12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 **No.**	*2023* *No.*
In the band £60,001 - £70,000	1	*1*

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the Senior Management Team. The total aggregate amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charity was £246,962 *(2023: £200,963).*

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 October 2024, expenses totalling £92 were reimbursed to 2 Trustees *(2023 - £458*), in respect of expenses incurred for mileage and training costs.

14. Tangible fixed assets

	Freehold property **£**	**Motor vehicles** **£**	**Fixtures and fittings** **£**	**Assets under construction** **£**	**Total** **£**
Cost					
At 1 November 2023	5,393,082	72,367	1,030,988	37,919	6,534,356
Additions	50,257	-	14,939	270,504	335,700
Disposals	-	-	(390,440)	-	(390,440)
Transfers between classes	308,423	-	-	(308,423)	-
At 31 October 2024	5,751,762	72,367	655,487	-	6,479,616
Depreciation					
At 1 November 2023	1,564,907	72,367	859,618	-	2,496,892
Charge for the year	128,024	-	69,438	-	197,462
On disposals	-	-	(390,440)	-	(390,440)
At 31 October 2024	1,692,931	72,367	538,616	-	2,303,914
Net book value					
At 31 October 2024	4,058,831	-	116,871	-	4,175,702
At 31 October 2023	*3,828,175*	-	*171,370*	*37,919*	*4,037,464*

Included in land and buildings is freehold land with an estimated cost of £179,608 which is not depreciated.

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15. Debtors

	2024 £	*2023 £*
Due within one year		
Trade debtors	258,688	*151,858*
Other debtors	3,905	*4,152*
Prepayments	24,772	*23,167*
	287,365	*179,177*

16. Creditors: Amounts falling due within one year

	2024 £	*2023 £*
Trade creditors	75,871	*45,772*
Other taxation and social security	55,471	*57,649*
Other creditors	72,473	*51,499*
Accruals and deferred income	86,690	*149,657*
	290,505	*304,577*

	2024 £	*2023 £*
Deferred income at 1 November	47,208	*30,289*
Resources deferred during the year	51,472	*47,208*
Amounts released from previous periods	(47,208)	*(30,289)*
	51,472	*47,208*

Income relating to the provision of care services has been deferred as it was received in advance of the agreed performance obligation. The Society has not met the criteria to recognise this income as revenue and it has been deferred until the revenue recognition criteria has been met.

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17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2024 £
Unrestricted funds					
Designated funds					
Birling House donations	7,299	1,717	(3,889)	-	5,127
Frindsbury House donations	53	2,684	(823)	-	1,914
Fixed assets	4,037,464	-	(197,462)	335,700	4,175,702
Birling House Fundraising	7,283	987	(2,581)	-	5,689
Frindsbury House Fundraising	980	732	(135)	-	1,577
The Dorothy Twiggins Charitable Trust	-	8,500	(4,661)	-	3,839
	4,053,079	14,620	(209,551)	335,700	4,193,848
General funds					
General Funds - all funds	955,813	4,994,605	(4,827,783)	(86,821)	1,035,814
Total Unrestricted funds	5,008,892	5,009,225	(5,037,334)	248,879	5,229,662

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17. Statement of funds (continued)

	Balance at 1 November 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2024 £
Restricted funds					
Albert Gubay Charitable Foundation	160,867	-	-	(160,867)	-
Garfield Weston Foundation	7,081	-	-	(7,081)	-
The Iron Bridge Trust	2,000	-	(2,000)	-	-
Screwfix Foundation	148	-	(148)	-	-
The Hospital Saturday Fund	-	2,800	(800)	(2,000)	-
The Sir James Roll Charitable Trust	-	1,500	(1,500)	-	-
Percy Bilton Charity	-	3,841	(3,841)	-	-
Cantiacorum Foundation	-	3,420	(2,507)	(58)	855
The Edward Gosling Foundation	-	25,000	-	(25,000)	-
The Clothworkers Foundation	-	50,000	-	(50,000)	-
Douglas Arter Foundation	-	500	(500)	-	-
Kent County Council	-	500	(500)	-	-
Charlotte Marshall Charitable Trust	-	452	-	-	452
Medway Council	-	400	(400)	-	-
Gardening with Disabilities Trust	-	1,500	(1,500)	-	-
The Lawson Trust	-	8,000	(4,127)	(3,873)	-
HDH Wills 1965 Charitable Trust	-	2,000	(595)	-	1,405
	170,096	99,913	(18,418)	(248,879)	2,712
Total of funds	5,178,988	5,109,138	(5,055,752)	-	5,232,374

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17. Statement of funds (continued)

Designated funds

The Birling and Frindsbury House designated funds hold donations received at each house during the year. These individual funds will be used to fund purchases of items outside of the general operating budget of the charity and the managers and staff at each of the homes will be able to suggest ideas on how they believe this should be spent.

The designated fixed assets fund represents the net book value of tangible and intangible assets. An amount is transferred to or from the fund each year representing the movement in the net book value of tangible fixed assets at the year end.

Unrestricted funds

These are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

The Albert Gubay Charitable Foundation
The Foundation pledged £160,867 towards the Frindsbury House lift project. The funds were fully spent in the year.

The Garfield Weston Foundation
The Foundation pledged £30k towards the Frindsbury House lift project. The funds brought forward into 23/24 financial year were fully spent in the year.

The Iron Bridge Trust
The Society received a grant to use towards the refurbishment of the sensory room at Birling House. The funds were fully spent in the year.

Screwfix Foundation
A pledge was made by the Foundation to cover the costs of furnishing the sensory room at Birling House. The funds brought forward into 23/24 financial year were fully spent in the year.

The Hospital Saturday Fund
A pledge was made by the Foundation for £2k towards the Frindsbury House lift project and a further £800 was pledged for a Hydrotilt chair for a resident. The funds were fully spent in the year.

The Sir James Roll Charitable Trust
A pledge was made by the Foundation for £1.5k towards a garden shed at Birling House. The funds were fully spent in the year.

Percy Bilton Charity
A pledge was made by the Foundation for £3.8k towards a shower trolley at Birling House. The funds were fully spent in the year.

Cantiacorum Foundation
The funds have been received by the Society to fund music therapy at Frindsbury House. The remaining funds will be spent in the 24/25 financial year.

The Edward Gosling Foundation
The Foundation pledged £25k towards the Frindsbury House lift project. The funds were fully spent in the year.

The Clothworkers Foundation
The Foundation pledged £50k towards the Frindsbury House lift project. The funds were fully spent in the year.

Douglas Arter Foundation
The Foundation pledged £500 towards the sensory garden at Frindsbury House. The funds were fully spent in the year.

Kent County Council
A pledge was made by the local council for £500 towards a garden shed at Birling House. The funds were fully spent in the year.

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17. Statement of funds (continued)

Charlotte Marshall Charitable Trust
A pledge was made by the Foundation for £452 towards a cocoon bed system at Frindsbury House. The funds will be spent in the 24/25 financial year.

Medway Council
A pledge was made by the local council for £400 towards activities for residents at Frindsbury House. The funds were fully spent in the year.

Gardening with Disabilities Trust
A pledge was made by the Foundation for £1.5k towards a garden shed at Birling House. The funds were fully spent in the year.

The Lawson Trust
A pledge was made by the Foundation for £8k towards shower chairs at both houses. The funds were fully spent in the year.

HDH Wills 1965 Charitable Trust
A pledge was made by the Foundation for £2k towards activities for residents at Frindsbury House. The remaining funds will be spent in the 24/25 financial year.

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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 November 2022 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 October 2023* £
Unrestricted funds					
Designated funds					
Birling House donations	*2,407*	*7,100*	*(2,208)*	-	*7,299*
Frindsbury House donations	*10,227*	*910*	*(11,084)*	-	*53*
Fixed assets	*4,097,214*	-	*(158,977)*	*99,227*	*4,037,464*
Birling House Fundraising	*9,149*	*1,979*	*(3,845)*	-	*7,283*
Frindsbury House Fundraising	*955*	*101*	*(76)*	-	*980*
	4,119,952	*10,090*	*(176,190)*	*99,227*	*4,053,079*
General funds					
General Funds - all funds	*1,072,077*	*4,522,196*	*(4,591,691)*	*(46,769)*	*955,813*
Total Unrestricted funds	*5,192,029*	*4,532,286*	*(4,767,881)*	*52,458*	*5,008,892*
Restricted funds					
Albert Gubay Charitable Foundation	-	*1,500*	-	*(1,500)*	-
Garfield Weston Foundation	-	*4,987*	-	*(4,839)*	*148*
The Iron Bridge Trust	-	*3,200*	-	*(3,200)*	-
Screwfix Foundation	-	*2,000*	-	-	*2,000*
The Hospital Saturday Fund	-	*5,000*	-	*(5,000)*	-
The Sir James Roll Charitable Trust	-	*15,000*	-	*(15,000)*	-
Percy Bilton Charity	-	*30,000*	-	*(22,919)*	*7,081*
Cantiacorum Foundation	-	*160,867*	-	-	*160,867*
	-	*222,554*	-	*(52,458)*	*170,096*
Total of funds	*5,192,029*	*4,754,840*	*(4,767,881)*	-	*5,178,988*

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	4,175,702	-	4,175,702
Current assets	1,344,465	2,712	1,347,177
Creditors due within one year	(290,505)	-	(290,505)
Total	5,229,662	2,712	5,232,374

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	*Restricted funds 2023 £*	*Total funds 2023 £*
Tangible fixed assets	*4,037,464*	-	*4,037,464*
Current assets	*1,276,005*	*170,096*	*1,446,101*
Creditors due within one year	*(304,577)*	-	*(304,577)*
Total	*5,008,892*	*170,096*	*5,178,988*

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	*2023 £*
Net income/expenditure for the period (as per Statement of Financial Activities)	53,386	*(13,041)*
Adjustments for:		
Depreciation charges	197,462	*158,979*
Dividends, interests and rents from investments	(49,768)	*(25,030)*
Loss on the sale of fixed assets	-	*8,047*
Decrease/(increase) in debtors	(108,188)	*71,746*
Increase/(decrease) in creditors	(14,072)	*6,837*
Net cash provided by operating activities	78,820	*207,538*

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20. Analysis of cash and cash equivalents

	2024 £	*2023 £*
Cash in hand	1,059,812	*1,266,924*
Total cash and cash equivalents	1,059,812	*1,266,924*

21. Analysis of changes in net debt

	At 1 November 2023 £	Cash flows £	At 31 October 2024 £
Cash at bank and in hand	1,266,924	(207,112)	1,059,812
	1,266,924	(207,112)	1,059,812

22. Capital commitments

	2024 £	*2023 £*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	80,256	*333,317*

The above commitment refers to fire safety and fire compartmentalisation works at Birling House, the works began in November 2024. The prior year comparative relates to the Frindsbury House passenger lift. Work began on this capital project in October 2023 and was completed in June 2024.

23. Pension commitments

The Charity operates a defined contribution pension scheme open to all permanent employees. During the year the Charity contributed £74,945 *(2023: £64,936)* on behalf of employees who have opted into the scheme. Of these contributions £31,596 *(2023: £14,752)* remained outstanding at the balance sheet date and is included within current liabilities.

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24. Operating lease commitments

At 31 October 2024 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 **£**	*2023* *£*
Not later than 1 year	15,808	*15,871*
Later than 1 year and not later than 5 years	20,699	*34,087*
	36,507	*49,958*

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

During the year the charity received donations totalling £600 from the Trustees, without conditions *(2023: £200)*.

THE MORTIMER SOCIETY

England & Wales - Charity number 287579

Accounts

DocuSign Envelope ID: B7D5567D-8B44-4276-872A-EAED139E2D92

Registered number: 01741444
Charity number: 287579

The Mortimer Society

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 October 2023

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The Mortimer Society
(A Company Limited by Guarantee)

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The Mortimer Society
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees' and Advisers
For the Year Ended 31 October 2023

Trustees

Dr D J Oliver, Chair
Mr K Lagden
Mrs V Lepadden
Mrs C Clinton
Mrs C Neville
Ms R Brar (resigned 9 November 2022)
Mrs J Hackett
Ms Natalie Farley (appointed 13 December 2023)

Company registered number
01741444

Charity registered number
287579

Registered office
42 Hollywood Lane
Frindsbury
Rochester
Kent, ME3 8AL

Chief Executive Officer

Mr Paul Studd

Executive Management Team

Mrs Susan Matthews, Head of Operations
Mrs Elaine Runeckles, Head of Care, Quality & Compliance (resigned 29 February 2024)
Mrs Tracey Edwards, Dual Location Registered Manager, Birling House and Frindsbury House (resigned 20 March 2023)
Mrs Geraldine La Thangue, Head of Care, Birling House and Frindsbury House (appointed 2 January 2024)

Independent auditor

UHY Kent LLP t/a UHY Hacker Young
Thames House, Roman Square
Sittingbourne
Kent, ME10 4BJ

Bankers

National Westminster Bank Plc
Kingston Market Place
5 Market Place
Kingston upon Thames
Surrey, KT1 1JX

Solicitors

Russell-Cooke LLP
2 Putney Hill
Putney
London, SW15 6AB

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The Trustees present their annual report together with the audited financial statements of the charitable company for the period 1 November 2022 to 31 October 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities SORP (FRS 102) (second edition), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102)".

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Society gives due regard to the guidance published by the Charity Commission on public benefit and the Trustees consider the Charity is compliant. The purpose of the Society, as set out in the Society's Memorandum of Association, is to provide relief for those in need by reason of ill health or disability particularly a physical and/or a learning disability and in particular those people suffering from Huntington's Disease and other neurological conditions.

Strategies for achieving objectives

The objectives are achieved through the provision of long-term residential care for adults across two residential homes owned by the charity, Birling and Frindsbury House. One of the homes is in West Kent and the other in Medway but both welcome clients from all over the country. Most of our residents are sponsored by their Local Authority Social Services or by their NHS Integrated Commissioning Boards. Prior to admission to either of our homes, a full pre-admission assessment of a prospective resident is carried out with the help of relatives and the social care case manager and other social care professionals to ensure that we can provide the most appropriate level of care and support.

No one receives any private benefit from the charity other than the care services we provide.

Activities for achieving objectives

By considering our aims, objectives and activities each year, we strive to deliver the most effective and beneficial outcomes. We also ensure that the environment of our homes and the activities and services we provide make our homes attractive to prospective residents, their families and commissioners. In each home we offer:

- An integrated Activities Team
- Well-equipped Activity Suites including the provision of facilities such as family accommodation, TV, hair dressing salon, PC and Tablets with internet access and interactive game table with Wi-Fi connectivity
- Adapted mini-buses and an MPV for the benefit of the residents
- Wheelchair accessible gardens with sensory features for the enjoyment of residents and their families and visitors
- Regular visits by musicians and entertainers
- Trips to the theatre, cinema, shopping and places of individual interest
- Music therapy, aromatherapy and chiropody
- Speech and language therapy – service provided by Medway Community Healthcare and privately contracted services
- Multi-sensory rooms
- Programmes for Activities of Daily Living
- Residents, Family and Carers assemblies and social events
- Access to laptops and tablets to facilitate communication with families and friends through Zoom, WhatsApp, FaceTime and other online social media channels.

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Involvement of Volunteers

Volunteers from local schools and colleges under normal circumstances visit residents who have no family contacts. One volunteer, an ex-staff member of the Activities team visits Birling House on a regular basis to support residents and staff with various social activities such as visits to the local pubs for lunch and accompanying residents on days out on boat trips. On occasions other ex-members of staff deliver buddy support to residents at Birling House who have no family or do not receive regular visitors.

Advocacy

The Society has close links to the Independent Mental Capacity Advocacy (IMCA) service provided by the Advocacy People. The service provides support on a confidential basis for residents who are unable to represent themselves and have no close family and friends.

Mandatory and Specialised Training

Staff training is carried out regularly and includes: Fire Safety, Health and Safety, Safeguarding of Vulnerable Adults, Infection Prevention and Control, Moving and Handling, Mental Capacity and Deprivation of Liberty, Food Hygiene and First Aid. In addition to this training, we also offer staff training on a wide range of subjects including Medication, Report Writing, Equality and Diversity, LGBTQ, Communication Skills, Huntington's disease, Multiple Sclerosis, Parkinson's disease and Dementia. The Society also prides itself in providing support to new employees who are new to social care as part of their induction process, in achieving the Care Certificate. This qualification is an agreed set of standards published by Skills for Care that sets out the knowledge, skills and behaviours expected of specific job roles by workers in the health and social care sectors. The Certificate comprises of 15 minimum standards and forms part of any new employee's robust induction programme over a period of 12 weeks.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Activities and achievements during the year

The year has been very exceptionally challenging in ensuring the stability and provision of care to the residents. There have been issues with funding from the authorities who place residents into our care and in the recruitment and retention of staff. There has been a major challenge in obtaining appropriate increases in funding from authorities in line with the rate of inflation and the costs of care, such as increased costs for food and utilities and the National Living Wage provision, so that funding does not cover the cost of care.

The turnover of staff has been very high and newly appointed staff members have often left after short periods of time. This is a reflection of a national issue, with caring not seen as a long-term career and to be poorly paid. The Executive Team have worked very hard at addressing these issues, with increased flexibility in the recruitment process, support of new staff and an ongoing support for all staff.

In the past the Society has raised these issues with the House of Commons Health and Social Care Committee but this national issue remains a challenge for the coming years.

Staff

Over the years, Birling House and Frindsbury House have built up a strong reputation for the quality of care, kindness and support given to our residents and their families by our staff. The Society has been very fortunate to have a loyal and dedicated staff team in both homes who are valued and keen to provide for the individual care needs and aspirations of our residents to deliver the required person-centred outcomes. During the last year the recruitment and retention of staff has again been challenging with the Society's staff turnover remaining higher than usual and this has been experienced across the care sector

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generally. We are very aware that a stable staff base provides consistent and enhanced care which is our normal level of service but the past year has been extremely difficult and challenging.

A Cost-of-Living bonus was paid to all staff during the winter months and the pay increase has been in line with the National Living Wage of 9.9% to help in recruitment and retention of staff.

Despite these challenges we have continued to stress the high importance on the personal and professional development of staff which encourages initiative and innovation. Our comprehensive induction programme for all staff reflects the Society's principles, aims and values through which they are encouraged to contribute to the future planning and development of the service.

Staff normally organise community charity events regularly which aims to increase the Society's profile within the local community and the fundraising income goes towards particular activities that many of the residents' love to enjoy. Staff have continued to undertake many activities in-house to provide enjoyment and entertainment and support for residents who have been unable to leave the homes and have received restricted visiting by friends and families. These activity and social entertainment days include birds of prey, Alpaca, and reptile visits, hatching of ducks and chicks and performances by singers and entertainers and families are also invited to attend.

There has also been the opportunity to reorganise the management structure at the Society. A new post of Head of Care who will be the Registered Manager with the CQC for the Society and who will lead the Home Managers and care teams, has been developed and was appointed on 2 January 2024.

Staff Training

The organisation is committed to an extensive training programme for all our staff and this has continued throughout the year including working towards Diploma qualifications at level 2 and level 3 in Health and Social Care through the Qualifications Credit Framework (QCF). This ensures our staff are better trained than is perhaps the norm in residential care homes in this area of practice.

The on-line training programme delivered by Care Tutor delivers the necessary mandatory courses for all categories of employees with care staff being expected to complete 32 modules for which they are recompensed if completed in their own time which are refreshed every two or three years depending on the course subject. This programme has continued to be extremely effective which means that it will continue to be the method of delivering all training in the future except for any practical training that has to be undertaken face to face such as first aid, moving and handling and Safeguarding of Vulnerable Adults which is delivered by both methods.

All new staff undertake an in-depth induction process which must be completed within a 12 week period and gives each person a full understanding of the responsibilities of their role, the quality of care we provide and expect to be delivered which will give everyone the opportunity to explore the working practices and environments at both of our homes.

Occupancy levels

The Society's financial performance depends on overall room occupancy and the level of weekly fees paid on behalf of our residents by the local authorities and the NHS Integrated Commissioning Boards (ICBs). The Society is registered with the Care Quality Commission for 29 rooms at Birling House (29 residents) and 23 rooms (23 residents) at Frindsbury House. In 2022/23, the Society achieved an overall average occupancy rate of 98.0%, with Birling House achieving an occupancy level of 97.7% and Frindsbury House achieving 98.2%.

Capital Reinvestment - Fabric and equipment

Capital reinvestment into the Society from reserves was limited in 2022/23 as identified in our Capital Programme with a conscious decision to contain expenditure from reserves due to the previous year costs on the new lift and refurbished bedrooms projects at Birling House. The annual capital budget was agreed, but capped by Trustees to essential items identified by the Home Managers. The total value of the capital programme was £50,000 due to the financial pressures and the austerity measures imposed by Central and Local Government in the care sector generally. A contingency fund of £25,000 was also made available for unexpected capital expenditure items and only £5,000 of this fund was utilised by the end of the financial year.

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The limited capital programme included investments such as the purchase of replacement equipment for residents at both homes such as a therapeutic bath, the replacement of flooring to meet infection control measures, shower hydro tilt chairs and air foam mattresses and pumps.

A sensory garden with resident involvement in the designing, has been completed. Residents have been involved and enjoyed participating with the choice of planting and developing the area to their preference, promoting a sense of worth and well-being along with their independence. The result is a pleasant and stimulating atmosphere and environment that can be used and enjoyed by residents and their visitors. Fundraising towards the cost of the sensory garden at Frindsbury House was achieved by our fundraiser with almost £14,000 being raised towards the total cost of £32,000 to fund this development.

In total the capital programme actual expenditure amounted to around £45,000 in 2022/23 which was funded by the Society's reserves.

The major development programme for 2022/23 included embarking on the installation of a new passenger lift at Frindsbury House to serve all three floors of the home. This major project was started in October 2023 and will provide added benefits for existing residents as they are able to access different parts of the building easier and quicker and it will also act as an enhanced facility in the case of emergencies and evacuations. This major project has a duration period of 26 weeks and is due to be completed at the end of April 2024.

Care Quality Commission

Birling House was last inspected by the CQC on 11 July 2017 under the new inspection regime looking at the five key lines of inquiry where questions are asked about the service being (1) Safe (2) Effective (3) Caring (4) Responsive and (5) Well-Led. The outcome of the inspection was that the service was rated 'Good' in all areas and was awarded an overall rating of GOOD. No further visits have been carried out to date despite CQC changing and implementing new ways of working to carry out their compliance inspections with the imminent introduction of the single assessment framework.

Frindsbury House was last inspected by the CQC on 12 February 2019 and the service was awarded the rating of 'Good' in all five key lines of inquiry. No further visits have been carried out by the CQC since this date and over time the CQC have introduced new ways of working to complete their compliance inspections.

During 2022/23 the CQC have been introducing a new strategy for the changing world of health and social care and the way they regulate to improve the care for everyone aiming to be more relevant to the way care is delivered, more flexible to manage risk and uncertainty and enabling them to respond in a quicker and more proportionate way as the health and care environment continues to evolve. The new strategy strengthens their commitment to deliver their purpose; to ensure health and social care services provide people with safe, effective, compassionate, high-quality care and to encourage those services to improve. During 2024, the CQC will be implementing a further new way of working with care providers by implementing the Single Assessment Framework. This method is the means by which health and social care organisations work together to ensure that assessment and subsequent care planning for people are person-centred, effective and coordinated.

During the last 4 years, the CQC have suspended their routine inspection programme following the Covid-19 pandemic in 2020 and do not intend to resume it unless they consider there are risks associated with the service being identified. They have continued to use a mix of intelligence gathering information to ensure the public have assurance as to the safety and quality of the care that is being delivered. The CQC carryout a regular review of the data that is available to them and to date they have not found any evidence to suggest that they need to carry out an inspection or reassess the ratings at either home which are currently both rated as GOOD.

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FINANCIAL REVIEW

Financial risk management objectives and policies

The Society produced another, but expected, deficit of £13,041 for the year ended 31 October 2023 following disappointing results in the prior two years from charitable activities. Compared with the previous year, the total income increased by £465,054 from the previous year and the expenditure increased by £371,422. This out-turn includes monies from fundraising for specific projects. Thus, although the Society has experienced a marginal increase in cash reserves compared with previous financial years in the accounts, the true position is a reduction in the reserves of £183,8997 as demonstrated by the table below. Further capital reinvestment will have to be carefully monitored together with detailed reviews of the fee income and expenditure levels. However, there are still sufficient reserves to allow the Society to remain viable in the coming years.

Staffing costs accounted for 73.64p out of every £1 of fee income in the 2022/23 financial year compared with 79.5p in the prior year. The majority of our residents require a very high level of specialised individual care and it is necessary to have high staffing levels and highly trained and experienced staff to deliver this unique and person-centred service which maintains the professionalism and reputation of the Society's charitable purpose. There have been severe issues in the recruitment and retention of staff which has been seen nationally within the care sector and this has increased staffing costs. Measures are being taken to reduce the costs as far as possible but national measures may be needed to address this problem.

Although the occupancy levels of the Society remained good throughout 2022/23 and the significantly increased costs with staffing and the cost of living, our finances are currently sound but like most care homes within the sector we continually face significant rising costs which has especially been more so during 2022/23. The level of our fee income per resident per week has not kept pace with inflation especially for legacy clients, the National Living Wage increases or the increased care needs of our residents. During 2022/23 most of sponsoring authorities/CCGs awarded inflationary increases in weekly fees in an attempt to recognise the ongoing and increasing cost of the National Living Wage on the 1st April each year and also the general cost of living rises on goods and services but the percentage increases were not sufficient in recognising the extremely high level of inflation. The fee increases were significantly below the rate of inflation despite ongoing increased costs, whereas the few remaining authorities offered no increase at all or were actively seeking to reducing their costs in line with their budget constraints. We have little control over many of the fixed and variable costs, for instance food and drink, utilities, repairs and maintenance costs and equipment service agreements which have all been subject to a substantial price increase in line with or above, the general inflation rate level. At the same time the ever-increasing regulation of the care sector brings year on year additional costs which have to be borne and absorbed without any consideration being given to the impact that may have on the operation of individual care homes. This situation has arisen as a result of local government restrictions imposed by central government and national action will be necessary as this situation cannot continue in the future without impacting on the services we can provide.

As a charity we strive to deliver high-quality, cost-effective care at a fair and true price. However, our income must at least meet our expenditure and allow us to continue to invest for the future. We sincerely hope that our sponsoring authorities will recognise that if charitable residential care homes such as the Mortimer Society are to continue, fee income must reflect the true cost of caring for our residents who have very high dependency and care needs. The funding authorities must also recognise and attempt to meet the increasing pay rates resulting from the imposed year on year increases in the National Living Wage through the future years ahead.

Going Concern

The level of total reserves has reduced marginally at the end of the 2022/23 financial year to £5,178,988 compared with the prior year of £5,192,029, an decrease of £13,000. However, this small deficit position includes the monies received from fundraising. The Fundraiser has been able to raise monies for equipment and the new lift at Frindsbury House and these monies have been received in advance of the building work starting. If these monies are excluded there is a reduction in funds of £183,897, as demonstrated in the table below:

	2023	*2022*
	£	*£*
Overall net movement in funds for the period per SoFA	**(13,041)**	*(106,673)*
Increase/ decrease in designated fixed asset fund	51,698	*(145,638)*
Less: restricted grant donations for capital projects	(222,554)	-
Operational deficit for the year	**(183,897)**	*(252,311)*

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Various reasons for the decrease include:

1. Although fee income levels for new admissions have improved over the financial year and occupancy levels have remained good throughout the year, fees for legacy residents have not kept pace with inflation due to the extreme cost-of-living crisis during 2023.

2. Staffing levels and turnover have remained difficult because of the recruitment and retention problems facing the care sector generally and as a result the staffing expenditure significantly increased with the required use of agency staff to fill vacancies and the high increase of 9% for the National Living Wage. A Cost-of-Living bonus was also paid to staff over the winter months.

There are continuing issues with the fees received from authorities for several legacy residents and the level of annual increases have not been sufficient to meet the increased expenses particularly around salaries, utility costs and the general increase in the cost of living. There have been ongoing discussions with the relevant commissioners and social work teams and in some cases the fee levels have been readdressed to meet the fair cost of care but this in most cases does not meet or reflect the true cost of care.

The Society is actively fundraising through a contracted fundraiser, and this has been very successful throughout 2022/23 which had a positive impact on the budget through these very tough and challenging times and the position is being effectively managed. A total of £222,554 of restricted grant income was received for specific capital projects during the year and the donors are personally thanked for their contribution in making these projects a reality. To reflect a true surplus/deficit position in the management accounts, the layout has been revised to show the level of restricted income and expenditure each month so the true position is clear each period as a result of the charitable activities, should the grant income be disregarded. Historical resident's contracts are being actively reviewed and constant dialogues are being held with funding authorities to increase fees to reflect the actual cost of care.

After making appropriate enquiries and taking into account the above points, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Donations

The Society also received a small sum of £2,875 from fundraising income as a result of either staff or families arranging social activities such as charity football matches and other events and also internal activities organised by staff for the benefit of the residents such as coffee and cake mornings.

During the year small values of donations were received from families and friends of £8,010 at 31 October 2023 which is included in the total reserves figure below. The expected timing of expenditure of donations received would be within 12 months of receipt and would be spent for the benefit of all the residents.

A Fundraising Consultant has been working on behalf of the Society during 2022/23 with the Society receiving a total of £222,554 of grant funding from various sources including £1,500 from the Sir James Roll Charitable Trust, £5,000 from the Percy Bilton Charity, £4,987 from the Screwfix Foundation, £3,200 from the Cantiacorum Foundation, £15,000 from the Bernard Sunley Foundation, £30,000 from the Garfield Weston Foundation, £2,000 from the Iron Bridge Trust and an extremely generous amount of £160,867 from the Albert Gubay Charitable Foundation all which will be classified as restricted funds for the specific purposes of either specialist equipment for residents across both homes and for the new lift project at Frindsbury House.

The Consultant will continue with a programme of fundraising for 2023/24 in anticipation of receiving restricted grants to enable the purchase of more specialist equipment or for extensive capital projects to improve the residential service to our beneficiaries.

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Fundraising

The Society has engaged the services of an external fundraiser, who is a member of the Chartered Institute of Fundraising. The fundraiser researches and submits grant applications to trusts and foundations, specifically to help fund the annual capital programme. Fundraising is not sought from individuals or the general public.

Principal risks and uncertainties

A risk management review process is undertaken by the Executive Management Team and has been approved and adopted by the Trustees. This process is monitored through the Society's Corporate Risk Assurance Framework and this is reviewed, updated as appropriate and reported upon to the Board on a quarterly basis.

The review process enables the CEO, executive managers and Trustees to mitigate risks that might otherwise prevent the Society from achieving its charitable purpose and objectives through its core values.

The Trustees consider the greatest risk at beginning of the financial year was that of the Cost-of-Living crisis with increases in many food costs, utilities, and salaries with insufficient increases in funding from authorities. There is the risk that there may be a continued freeze or even reduction in fees paid by local authorities linked with the significant year on year increased operating costs and staffing costs arising from the National Living Wage through to 2024 and beyond. Moreover, changes in the political and social climate, a further economic downturn or any continued impact of the pandemic or Brexit would certainly affect the operation of the Charity's business.

The Society has continued to operate the role of Caldicott Guardian this year and the nominated individual is responsible for the Information Governance in recognition of the possible risks surrounding resident data and systems security.

Risks also include a possible shortfall in CQC required outcomes within the service provision and the consequent loss of full compliance which could be a resulting factor. The Society operates a clinical audit and performance management process to rectify any possible failure in standards. The appointment of the Head of Care in January 2024, providing overall Registered Manager for the Society, will aim to ensure compliance and enable the Society to be ready for the new changes in monitoring from the CQC.

Recruitment and retention of appropriate staff continues to be of significant concern in this unprecedented and challenging climate that results in higher costs due to the use of agency provision whose prices have significantly increased in line with all staffing costs due to the high level of inflation across the health and social care sector.

The cost of living crisis that is being experienced by everyone across the UK will no doubt present ongoing challenges in that fee income is not rising at the same rate as the high level of inflation which means that our income levels are not meeting our rising expenditure and will impact on our level of reserves.

Reserves policy

The total reserves at the end of the financial year amounted to £5,178,988 which included the designated fixed asset fund of £4,037,464 which can only be realised on the disposal of the assets. Funding from local authorities has received a very high profile this year regarding the possible issuing of Section 114 notices but the Society is managing and monitoring the situation very closely in order to maintain our level of reserves in accordance with our policies and procedures.

At the end of 2022/23 the Society's free reserves stood at £971,428 compared with £1,094,815 at the end of the previous year. During the year the Trustees reviewed the reserves policy and confirmed that an adequate reserve needs to be maintained to allow for any reduction in occupancy levels and for other potential risks and any unexpected eventualities. The reserves policy agreed by the Board of Trustees currently state that reserves should be maintained at a minimum of three months of basic operating expenditure, which at this current time amounts to around £950k.

Trustees continue to review investment opportunities within the framework of the investment policy to maximise the income of the Society with due consideration to protecting the beneficiaries in our care.

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Performance Management

The Board of Trustees have recognised that it is increasingly necessary and good practice for charities to demonstrate organisational performance in the annual reports and accounts.

The Trustees have taken the decision following recommendations by the Charity Commission and our External Auditor to continue to adopt and report upon five key performance indicators (KPIs) for the year ending 31 October 2023.

The five Key Finance Performance Indicators (KFPIs) that are being reported upon in 2020/21 are as follows:

1) Occupancy level
2) Total surplus as a percentage of total income
3) Staffing costs as a percentage of total income by home
4) Staffing costs and operational costs as a percentage of total costs
5) Net current assets position

KPIs serve as a measurable value that demonstrates how effectively an organisation is achieving its key business objectives such as performance and progress in order to help evaluate their success in reaching its strategic goals and specific targets.

The Society's results from the KFPIs in the 2022/23 financial year were as follows:

Key Performance Indicator	Birling House		Frindsbury House		Society Total (inc. Central Dept)	
	Actual	Objective	Actual	Objective	Actual	Objective
Occupancy level	97.7%	96.5%	98.2%	95.6%	98.0%	96.1%
Surplus to Income	9.3%	14.3%	7.8%	-7.2%	1.5%	-7.0%
Staffing costs to Income	72.6%	66.1%	76.8%	89.6%	81.3%	83.5%
Staff costs to Total Costs	80.0%	77.1%	83.4%	83.6%	80.1%	78.1%
Operational Costs to Total Costs	20.0%	22.9%	16.6%	16.4%	19.9%	21.9%
Net Current Assets	n/a	n/a	n/a	n/a	£1.142m	n/a

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Society is a registered charity and a company limited by guarantee and as such operates under its Memorandum and Articles of Association, which have received the approval of the Charity Commission.

Method of appointment or election of Trustees

One third of the Trustees must retire at each AGM, those longest in office retiring first. A retiring Trustee who remains qualified may be reappointed. At the date of the Annual General Meeting held on 22 June 2023, no Trustees were eligible to retire by rotation and therefore none were reappointed to remain on the Board for at least a further year in office. A new Trustee Ravinder Brar joined the Board in March 2022 but unfortunately resigned in November 2022 due to the pressure of her main employment. New trustees will continue to be recruited in 2023/24.

Policies adopted for the induction and training of Trustees

The Society has an appointment and induction programme for Trustees covering the work of the charity including visits to the two homes and an opportunity to meet the Chair of Trustees, the Chief Executive, Executive Management Team, staff and residents.

The programme includes an explanation of the latest financial position, the current year's budget and the longer-term strategies and business plans of the Society. New Trustees are given copies of the Memorandum and Articles of Association together with a Trustee Information Pack which includes Terms of Reference, Annual Report and Financial Statement and a list of

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Policies and Procedures. Ongoing online training is provided to Trustees by Hempson Charity Solicitors on the subject of Governance Principles in respect of legal duties and responsibilities of charity Trustees as well financial governance.

Pay policy for senior staff

The goal of the Charity's pay policy is to offer fair pay to attract and retain appropriately qualified staff to lead, manage, support and deliver the Charity's purpose and aims. It will always be consistent with these aims and within an affordable framework.

The Trustees are responsible for setting remuneration levels for the Charity's staff and reviewing pay for the most senior staff. These senior staff are clearly identified by the Trustees and will typically, although not always, be part of the Charity's executive or senior management team.

The Charity's Remuneration Policy follows the National Council for Voluntary Organisation's (NCVO) guidance of which the Mortimer Society is a member and/or the guidance from the Association of Chief Executives in Voluntary Organisations.

Organisational structure and decision making

The Board of Trustees discharges its responsibility of overseeing the management practice of the Society at its quarterly general and additional meetings and by delegating specific projects to sub-groups if appropriate. The Trustees are, at present, the only members of the Mortimer Society and are entitled to attend and vote at all Annual General Meetings.

The day-to-day management of the Society is delegated to the Chief Executive and to the Executive Management Team. The operational management and the running of the two homes is carried out by the Head of Operations, Head of Care, Quality and Compliance through the Dual Location Registered Manager. Major policy questions affecting the future of the Society are discussed between the Executive Management team and the Trustees who are responsible for making the final decisions.

In November 2017 the Society adopted the principles contained in the revised Charity Good Governance Code which is a Code containing seven main principles as recommended by the Charities Commission for use by Charities in England and Wales. The Society continues to operate within these principles which have been adapted and updated in January 2022 to reflect the nature of the business within the care sector. These principles are reviewed annually as part of the strategic review carried out by Trustees with the Executive Management Team.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the Society and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks.

PLANS FOR FUTURE PERIODS

Future developments

The main aims and objectives of the Society during 2023/24 will be to:

- Ensure that the Society's policies and procedures meet statutory requirements and exceed the standards and expectations of our current regulator, the Care Quality Commission (CQC).
- Remain financially viable in an adverse and turbulent economic climate affecting the care sector generally.
- Aim to negotiate appropriate funding with authorities for all the residents, covering the costs of the specific and specialist care that they require which also includes the fee levels for legacy residents.
- Accomplish staff training programmes relevant to our residents' complex and individual needs in order to meet the expectations of our residents, sponsoring authorities and the CQC and deliver the required outcomes.

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- Continue to utilise available capital to invest in prioritised projects and estate development at both homes as set out in the programmes agreed by the Trustees.
- Complete the major capital project of installing a fit for purpose new passenger lift at Frindsbury House
- Continually review the need for new initiatives to improve standards including the delivery of safe care, the catering provision and infection prevention and control to meet the diverse needs of our residents.
- Pursue new business opportunities to provide additional day and respite care placements whenever possible as an introduction opportunity into the service for possible permanent care in the future.
- Continue to review the long-term vision and business diversification strategy in client categories and models of care in line with our expertise and client base.
- Continue to enhance the Society's profile by widening our offer of care to include certain neurological conditions in addition to Huntington's disease for which the Mortimer Society is an experienced and reputable provider. This aim will be aided by the use of the Society's website, social media and continually revised marketing material.
- Further develop the web based digital care management system for residents' care plans and the recording of all daily information which meets CQC compliance standards and enable the organisation to hold residents' electronic records to comply with GDPR regulations.

Major development projects

An official fundraiser, Heycroft Consulting, has been commissioned to complete and submit applications to both large and smaller grant funding organisations to enable equipment and facilities for residents to be purchased. The new lift at Frindsbury House has been mainly funded by funds raised for this purpose, reducing costs on the Society's reserves. Future fundraising is being considered in 2023/24 to support the developments and work at the Society.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 safe guarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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AUDITOR

The Society's auditors are appointed by a Resolution of the Society's Annual General Meeting.

At the last AGM, UHY Hacker Young were re-appointed as auditors following a unanimous decision made by the Trustees.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees and signed on their behalf by:

DocuSigned by:
David Oliver
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Dr D J Oliver, Chair

DocuSigned by:
keith lagden
161F0009B8E4417...

Mr K Lagden, Vice Chair

Date: 27 March 2024

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Independent Auditors' Report to the Trustees of The Mortimer Society

Opinion

We have audited the financial statements of The Mortimer Society (the 'society') for the year ended 31 October 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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Independent Auditors' Report to the Trustees of The Mortimer Society (continued)

Matters on which we are required to report by exception

In the light of our 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 including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

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.

Auditors' 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 Auditors' 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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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 set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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 minutes of meetings of Trustees; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable Society's trustees, 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 Society's trustees those matters we are required to state to them in an Auditors' 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 Society and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Kent LLP

Tracey Moore BFP ACA (Senior Statutory Auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 28 March 2024

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The Mortimer Society
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 October 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income from:					
Donations and legacies	4	8,010	222,554	230,564	*99,267*
Charitable activities	5	4,496,371	-	4,496,371	*4,176,162*
Other trading activities	6	2,875	-	2,875	*4,817*
Investments	7	25,030	-	25,030	*9,540*
Total income		4,532,286	222,554	4,754,840	*4,289,786*
Expenditure on:					
Raising funds	8	18,950	-	18,950	*5,435*
Charitable activities	9	4,748,931	-	4,748,931	*4,391,024*
Total expenditure		4,767,881	-	4,767,881	*4,396,459*
Net (expenditure)/income		(235,595)	222,554	(13,041)	*(106,673)*
Transfers between funds	17	52,458	(52,458)	-	-
Net movement in funds		(183,137)	170,096	(13,041)	*(106,673)*
Reconciliation of funds:					
Total funds brought forward		5,192,029	-	5,192,029	*5,298,702*
Net movement in funds		(183,137)	170,096	(13,041)	*(106,673)*
Total funds carried forward		5,008,892	170,096	5,178,988	*5,192,029*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 35 form part of these financial statements.

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The Mortimer Society
(A Company Limited by Guarantee)
Registered number: 01741444

Balance Sheet
As at 31 October 2023

	Note		2023 £		*2022 £*
Fixed assets					
Tangible assets	14		4,037,464		*4,097,210*
Current assets					
Debtors	15	179,177		*250,923*	
Cash at bank and in hand		1,266,924		*1,141,635*	
		1,446,101		*1,392,558*	
Creditors: amounts falling due within one year	16	(304,577)		*(297,739)*	
Net current assets			1,141,524		*1,094,819*
Total net assets			5,178,988		*5,192,029*
Charity funds					
Restricted funds	17		170,096		-
Unrestricted funds	17		5,008,892		*5,192,029*
Total funds			5,178,988		*5,192,029*

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:
David Oliver
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Dr. D. Oliver
(Chair of Trustees)

DocuSigned by:
Keith Lagden
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Mr. K. Lagden
(Vice Chair)

Date: 27 March 2024

The notes on pages 19 to 35 form part of these financial statements.

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The Mortimer Society
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 October 2023

	Note	2023 £	*2022 £*
Cash flows from operating activities			
Net cash used in operating activities	19	207,538	*16,448*
Cash flows from investing activities			
Dividends, interests and rents from investments		25,030	*9,540*
Purchase of tangible fixed assets		(107,279)	*(343,582)*
Net cash used in investing activities		(82,249)	(334,042)
Change in cash and cash equivalents in the year		125,289	(317,594)
Cash and cash equivalents at the beginning of the year		1,141,635	*1,459,229*
Cash and cash equivalents at the end of the year	20	1,266,924	*1,141,635*

The notes on pages 19 to 35 form part of these financial statements

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Notes to the Financial Statements For the Year Ended 31 October 2023

1. General information

The Mortimer Society is a charitable company limited by guarantee, registered in England and Wales. Its registered office is 42 Hollywood Lane, Frindsbury, Rochester, Kent, ME3 8AL.

The nature of the Society's operations, and its principal activity is to provide relief of suffering for people with physical and/or learning difficulties and/or physical and/or mental illness of any description, including people suffering from Huntington's disease.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (January 2022) and the Companies Act 2006.

The Mortimer Society meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The currency used in the financial statements is Pound Sterling.

2.2 Going concern

The accounts have been prepared on the going concern basis. The Trustees assess the reasonableness of the assumption of the charity to continue as a going concern for a period of 12 months from the date the financial statements are signed.

It is widely acknowledged that the current economic climate is not one of optimism. Rising energy, food and other goods prices continued throughout 2023, affecting the Society in all areas of its expenditure. Continued inflationary pressure on the expenditure of the Society in carrying out its charitable activities, coupled with insufficient funding increases from local authorities is expected to continue into 2024. Changes in the political and social outlook, a further economic downturn or any continued impact of the pandemic or Brexit would also certainly affect the operation of the Society.

The considerations made in this assertion include the review of the current and future operations of the Society, together with a review of its cash and reserves position up to the end of March 2025. The free reserves of the Society are currently inline with its stated reserves policy, as detailed on page 8 of the Trustees' Report, which is considered appropriate to provide the Society with enough flexibility to continue to provide a high standard of care to its beneficiaries, should there be any interruption in the receipt of income.

No material uncertainties that may cast significant doubt about the ability of the Society to continue as a going concern have been identified by the Trustees.

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2. Accounting policies (continued)

2.3 Income

All income is recognised once the Society has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

Provision of care services

Fees from a contract to provide care related services are recognised in the period in which the services are provided on an accruals basis. Any fees invoiced in advance are included within deferred income until the service has been provided. Fees that are invoiced in arrears are included within accrued income, based on the fixed fee rate for each individual resident. The Society's charitable activities are exempt from Value Added Tax. Income from investments and bank interest is included when receivable and the amount can be measured reliably.

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2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Society to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Society's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Society and include the audit fees and costs linked to the strategic management of the Society.

2.5 Taxation

The Society is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Society is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively in the pursuance of charitable purposes. No tax charge has arisen in the year.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Over 50 years
Integral features (included within buildings)	- Over 15-20 years
Freehold land	- Nil
Motor vehicles	- Over 3 years
Household furniture and equipment	- Over 5 years

2.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

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2. Accounting policies (continued)

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition, a fixed 6 month maturity or opening of the deposit or similar account.

2.9 Liabilities and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount.

2.10 Financial instruments

The Society only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.12 Pensions

The Society operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Society to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Society and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Society for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trustees consider that there are no significant estimates or critical judgements which are likely to affect the Society.

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4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Donations				
Donations	8,010	-	8,010	*7,350*
Donated goods	-	-	-	*14,431*
Total Donations	8,010	-	8,010	*21,781*
Grants	-	222,554	222,554	*18,795*
Government grants	-	-	-	*58,691*
Subtotal	-	222,554	222,554	*77,486*
Total 2023	8,010	222,554	230,564	*99,267*
Total 2022	*21,781*	*77,486*	*99,267*	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Provision of care services	4,496,371	4,496,371	*4,176,162*
Total 2022	*4,176,162*	*4,176,162*	

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6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Fundraising	2,875	2,875	*4,817*
Total 2022	*4,817*	*4,817*	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Bank deposit interest	25,030	25,030	*9,540*
Total 2022	*9,540*	*9,540*	

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8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Fundraising	18,950	18,950	*5,435*
Total 2022	*5,435*	*5,435*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	*Total 2022 £*
Provision of care services	4,748,931	-	4,748,931	*4,391,024*
Total 2022	*4,310,298*	*80,726*	*4,391,024*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	*Total funds 2022 £*
Provision of care services	4,336,821	412,110	4,748,931	*4,391,024*
Total 2022	*4,022,046*	*368,978*	*4,391,024*	

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10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of care services 2023 £	Total funds 2023 £	*Total funds 2022 £*
Staff costs	3,214,960	3,214,960	*2,855,965*
Depreciation	158,977	158,977	*197,947*
Staff recruitment	4,244	4,244	*4,790*
Travel and other staff costs	64,373	64,373	*79,028*
Resident costs including food and household expenses	503,704	503,704	*472,250*
Property costs	163,540	163,540	*139,192*
Insurance	38,160	38,160	*34,775*
Agency costs	185,259	185,259	*237,989*
General office costs	2,125	2,125	-
Professional fees	60	60	*110*
Bad debts	1,419	1,419	-
	4,336,821	4,336,821	*4,022,046*
Total 2022	*4,022,046*	*4,022,046*	

Analysis of support costs

	Provision of care services 2023 £	Total funds 2023 £	*Total funds 2022 £*
Staff costs	313,527	313,527	*283,702*
General office costs	67,348	67,348	*63,966*
Communications	3,868	3,868	*4,067*
Professional fees	17,253	17,253	*6,411*
Bank charges	1,049	1,049	*1,097*
Governance costs	9,065	9,065	*9,735*
	412,110	412,110	*368,978*
Total 2022	*368,978*	*368,978*	

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Notes to the Financial Statements
For the Year Ended 31 October 2023

11. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Society's auditor for the audit of the Society's annual accounts (inclusive of VAT)	10,656	7,500

12. Staff costs

	2023 £	2022 £
Wages and salaries	3,244,525	2,882,776
Social security costs	219,026	196,527
Pension costs	64,936	60,364
	3,528,487	3,139,667

The average number of persons employed by the Society during the year was as follows:

	2023 No.	2022 No.
Provision of care services	128	128
Administration and support	12	15
Senior management	1	1
	141	144

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Provision of care services	127	124
Administration and support	11	13
Senior management	1	1
	139	138

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12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	*2022 No.*
In the band £60,001 - £70,000	1	*1*

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the Senior Management Team. The total aggregate amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charity was £200,963 *(2022: £207,402).*

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2022 - £NIL).*

During the year ended 31 October 2023, expenses totalling £458 were reimbursed to 5 Trustees *(2022 - £NIL)*, in respect of expenses incurred for Trustee meeting attendance, and training costs.

14. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Assets under construction £	Total £
Cost					
At 1 November 2022	5,380,464	72,367	996,816	-	6,449,647
Additions	13,822	-	55,537	37,919	107,278
Disposals	(1,204)	-	(21,365)	-	(22,569)
At 31 October 2023	5,393,082	72,367	1,030,988	37,919	6,534,356
Depreciation					
At 1 November 2022	1,454,787	72,367	825,283	-	2,352,437
Charge for the year	111,324	-	47,653	-	158,977
On disposals	(1,204)	-	(13,318)	-	(14,522)
At 31 October 2023	1,564,907	72,367	859,618	-	2,496,892
Net book value					
At 31 October 2023	3,828,175	-	171,370	37,919	4,037,464
At 31 October 2022	*3,925,677*	-	*171,533*	-	*4,097,210*

Included in land and buildings is freehold land with an estimated cost of £179,608 which is not depreciated.

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15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	151,858	229,589
Other debtors	4,152	127
Prepayments and accrued income	23,167	21,207
	179,177	250,923

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	45,772	83,799
Other taxation and social security	57,649	48,103
Other creditors	51,499	32,965
Accruals and deferred income	149,657	132,872
	304,577	297,739

	2023 £	2022 £
Deferred income at 1 November	30,289	26,631
Resources deferred during the year	47,208	30,289
Amounts released from previous periods	(30,289)	(26,631)
	47,208	30,289

Income relating to the provision of care services has been deferred as it was received in advance of the agreed performance obligation. The Charity has not met the criteria to recognise this income as revenue and therefore has been deferred until the revenue recognition criteria has been met.

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17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2023 £
Unrestricted funds					
Designated funds					
Birling House donations	2,407	7,100	(2,208)	-	7,299
Frindsbury House donations	10,227	910	(11,084)	-	53
Fixed assets	4,097,214	-	(158,977)	99,227	4,037,464
Birling House Fundraising	9,149	1,979	(3,845)	-	7,283
Frindsbury House Fundraising	955	101	(76)	-	980
	4,119,952	10,090	(176,190)	99,227	4,053,079
General funds					
General Funds - all funds	1,072,077	4,522,196	(4,591,691)	(46,769)	955,813
Total Unrestricted funds	5,192,029	4,532,286	(4,767,881)	52,458	5,008,892
Restricted funds					
The Sir James Roll Charitable Trust	-	1,500	-	(1,500)	-
Screwfix Foundation	-	4,987	-	(4,839)	148
Cantiacorum Foundation	-	3,200	-	(3,200)	-
The Iron Bridge Trust	-	2,000	-	-	2,000
Percy Bilton Charity	-	5,000	-	(5,000)	-
The Bernaud Sunley Foundation	-	15,000	-	(15,000)	-
Garfield Weston Foundation	-	30,000	-	(22,919)	7,081
Albert Gubay Charitable Foundation	-	160,867	-	-	160,867
	-	222,554	-	(52,458)	170,096
Total of funds	5,192,029	4,754,840	(4,767,881)	-	5,178,988

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17. Statement of funds (continued)

Designated funds

The Birling and Frindsbury House designated funds hold donations received at each house during the year. These individual funds will be used to fund purchases of items outside of the general operating budget of the charity and the managers and staff at each of the homes will be able to suggest ideas on how they believe this should be spent.

The designated fixed assets fund represents the net book value of tangible and intangible assets. An amount is transferred to or from the fund each year representing the movement in the net book value of tangible fixed assets at the year end.

Unrestricted funds

These are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

The Sir James Roll Charitable Trust

This grant application was submitted and awarded to develop the sensory garden at Frindsbury House, the funds have been fully spent in the year.

Screwfix Foundation

A pledge was made by the Foundation to cover the costs of furnishing the sensory room at Birling House. The remaining funds will be spent in the 23/24 financial year.

Cantiacorum Foundation

The funds have been received by the Society to fund the Garden Project. The funds were fully spent during the year.

The Iron Bridge Trust

The Society received a grant to use towards the refurbishment of the sensory room at Birling House. The funds were unspent at the year end.

Percy Bilton Charity

The funds were received by the Society for the purchase of 2 new Huntington's Chairs.

The Bernaud Sunley Foundation

The Foundation pledged £15k towards the Frindsbury House lift project. The funds were fully utilised for the project during the year.

The Garfield Weston Foundation

The Foundation pledged £30k towards the Frindsbury House lift project. The unspent funds will be utilised in the 23/24 financial year.

The Albert Gubay Charitable Foundation

The Foundation pledged £160,867 towards the Frindsbury House lift project. The unspent funds will be utilised in the 23/24 financial year.

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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 November 2021 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 October 2022* £
Unrestricted funds					
Designated funds					
Birling House donations	*6,713*	*50*	-	*(4,356)*	*2,407*
Frindsbury House donations	*2,976*	*7,300*	*(49)*	-	*10,227*
Fixed assets	*3,951,576*	-	*(197,947)*	*343,585*	*4,097,214*
Birling House Fundraising	-	*4,555*	*(175)*	*4,769*	*9,149*
Frindsbury House Fundraising	-	-	-	*955*	*955*
	3,961,265	*11,905*	*(198,171)*	*344,953*	*4,119,952*
General funds					
General Funds - all funds	*1,334,197*	*4,185,964*	*(4,103,131)*	*(344,953)*	*1,072,077*
Total Unrestricted funds	*5,295,462*	*4,197,869*	*(4,301,302)*	-	*5,192,029*
Restricted funds					
The Sir James Roll Charitable Trust	-	*10,274*	*(10,274)*	-	-
Cantiacorum Foundation	-	*48,417*	*(48,417)*	-	-
The Iron Bridge Trust	*3,240*	-	*(3,240)*	-	-
The Bernaud Sunley Foundation	-	*18,795*	*(18,795)*	-	-
	3,240	*77,486*	*(80,726)*	-	-
Total of funds	*5,298,702*	*4,275,355*	*(4,382,028)*	-	*5,192,029*

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	4,037,464	-	4,037,464
Current assets	1,276,005	170,096	1,446,101
Creditors due within one year	(304,577)	-	(304,577)
Total	5,008,892	170,096	5,178,988

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	*Total funds 2022 £*
Tangible fixed assets	*4,097,210*	*4,097,210*
Current assets	*1,392,558*	*1,392,558*
Creditors due within one year	*(297,739)*	*(297,739)*
Total	*5,192,029*	*5,192,029*

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	*2022 £*
Net expenditure for the year (as per Statement of Financial Activities)	(13,041)	*(106,673)*
Adjustments for:		
Depreciation charges	158,979	*197,948*
Dividends, interests and rents from investments	(25,030)	*(9,540)*
Loss on the sale of fixed assets	8,047	-
Decrease/(increase) in debtors	71,746	*(73,631)*
Increase in creditors	6,837	*8,344*
Net cash provided by operating activities	207,538	*16,448*

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20. Analysis of cash and cash equivalents

	2023 £	*2022 £*
Cash in hand	1,266,924	*1,141,635*
Total cash and cash equivalents	1,266,924	*1,141,635*

21. Analysis of changes in net debt

	At 1 November 2022 £	Cash flows £	At 31 October 2023 £
Cash at bank and in hand	1,141,635	125,289	1,266,924
	1,141,635	125,289	1,266,924

22. Capital commitments

	2023 £	*2022 £*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	333,317	-

The above commitment refers to the Frindsbury House passenger lift. Work began on this capital project in October 2023.

23. Pension commitments

The Charity operates a defined contribution pension scheme open to all permanent employees. During the year the Charity contributed £64,936 *(2022: £60,364)* on behalf of employees who have opted into the scheme. Of these contributions £14,752 *(2022: £12,807)* remained outstanding at the balance sheet date and is included within current liabilities.

24. Operating lease commitments

At 31 October 2023 the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	*2022 £*
Not later than 1 year	15,871	*15,639*
Later than 1 year and not later than 5 years	34,087	*43,283*
	49,958	*58,922*

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25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

During the year the charity received donations totalling £200 from the Trustees, without conditions. *(2022: £nil)*

THE MORTIMER SOCIETY

England & Wales - Charity number 287579

Accounts

Registered number: 01741444
Charity number: 287579

The Mortimer Society

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 October 2022

The Mortimer Society
(A Company Limited by Guarantee)

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The Mortimer Society
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees' and Advisers
For the Year Ended 31 October 2022

Trustees

Dr D J Oliver, Chair
Dr T J Cantor, Vice Chair (resigned 22.6.2022)
Mrs J Grimmett (resigned 22.6.2022)
Mr K Lagden
Mrs V Lepadden
Mr P Ball (resigned 22.6.2022)
Mrs C Clinton
Mrs C Neville (appointed 15.12.2021)
Ms R Brar (appointed 30.3.2022 and resigned 9.11.2022)
Mrs J Hackett (appointed 28.9.2022)

Company registered number
01741444

Charity registered number
287579

Registered office
42 Hollywood Lane
Frindsbury
Rochester
Kent, ME3 8AL

Chief Executive Officer

Mr Paul Studd

Executive Management Team

Mrs Susan Matthews, Head of Operations
Mrs Elaine Runeckles, Head of Care, Quality & Compliance
Mrs Tracey Edwards, Dual Location Registered Manager, Birling House and Frindsbury House

Independent auditor

UHY Kent LLP t/a UHY Hacker Young
Thames House, Roman Square
Sittingbourne
Kent, ME10 4BJ

Bankers

National Westminster Bank Plc
64 High Street
New Malden
Surrey, KT3 4HB

Solicitors

Russell-Cooke LLP
2 Putney Hill
Putney
London, SW15 6AB

Trustees' Report
For the Year Ended 31 October 2022

The Trustees present their annual report together with the audited financial statements of the charitable company for the period 1 November 2021 to 31 October 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities SORP (FRS 102) (second edition), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102)".

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Society gives due regard to the guidance published by the Charity Commission on public benefit and the Trustees consider the Charity is compliant. The purpose of the Society, as set out in the Society's Memorandum of Association, is to provide relief for those in need by reason of ill health or disability particularly a physical and/or a learning disability and in particular those people suffering from Huntington's Disease and other neurological conditions.

Strategies for achieving objectives

The objectives are achieved through the provision of long-term residential care for adults across two residential homes owned by the charity, Birling and Frindsbury House. One of the homes is in West Kent and the other in Medway but both welcome clients from all over the country. The majority of our residents are sponsored by their Local Authority Social Services or by their NHS Integrated Commissioning Boards. Prior to admission to either of our homes, a full assessment of a prospective resident is carried out with the help of relatives and the social care case manager and other social care professionals to ensure that we can provide the most appropriate level of care and support.

No one receives any private benefit from the charity other than the care services we provide.

Activities for achieving objectives

By considering our aims, objectives and activities each year, we strive to deliver the most effective and beneficial outcomes. We also ensure that the environment of our homes and the activities and services we provide make our homes attractive to prospective residents, their families and commissioners. In each home we offer:

- An integrated Activities Team
- Well-equipped Activity Suites including the provision of facilities such as family accommodation, TV, hair dressing salon, PC and Tablets with internet access and interactive game table with Wi-Fi connectivity
- Adapted mini-buses and an MPV for the benefit of the residents
- Wheelchair accessible gardens for the enjoyment of residents and their families and visitors
- Regular visits by musicians and entertainers
- Trips to the theatre, cinema, shopping and places of individual interest
- Music therapy, aromatherapy and chiropody
- Speech and language therapy
- Multi-sensory rooms
- Programmes for Activities of Daily Living
- Residents, Family and Carers assemblies and social events
- Access to laptops and tablets to facilitate communication with families and friends through Zoom, WhatsApp, FaceTime and other online social media channels.

Involvement of Volunteers

Volunteers from local schools and colleges under normal circumstances visit residents who have no family contacts. One volunteer, the retired catering manager from Birling House delivers 1:1 and group cooking support on at least a monthly basis; other volunteers, one of whom is the mother of a deceased resident and two others who are ex members of staff, deliver buddy support to residents at Birling House who have no family or do not receive regular visitors. However, during part 2021/22 visiting and interaction was not been possible due to but reduced Covid-19 restrictions imposed by Government which has affected both homes.

Advocacy

The Society has close links to the Independent Mental Capacity Advocacy (IMCA) service. The service provides support on a confidential basis for residents who are unable to represent themselves and have no close family and friends.

Mandatory and Specialised Training

Staff training is carried out regularly and includes: Fire Safety, Health and Safety, Safeguarding of Vulnerable Adults, Infection Prevention and Control, Moving and Handling, Mental Capacity and Deprivation of Liberty, Food Hygiene and First Aid. In addition to this training, we also offer staff training on a wide range of subjects including Medication, Report Writing, Equality and Diversity, Communication Skills, Huntington's disease, Multiple Sclerosis, Parkinson's disease and Dementia. The Society also prides itself in providing support to new employees who are new to social care as part of their induction process, in achieving the Care Certificate. This qualification is an agreed set of standards published by Skills for Care that sets out the knowledge, skills and behaviours expected of specific job roles by workers in the health and social care sectors. The Certificate comprises of 15 minimum standards and forms part of any new employee's robust induction programme.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Activities and achievements during the year

The first half of this financial year has continued to be challenging due to the Covid-19 although the restrictions were reducing and the Government guidance for care homes was continually changing. The pandemic affected many of the activities for residents and restricted visiting by family and friends. The Executive Management Team and all staff continued to work extremely hard to maintain the care provided for residents at a very high level and to provide extra support for the residents and families alike. The Board of Trustees have been extremely supportive throughout this time and are very grateful to all staff for this extra commitment during these very difficult times, when they were also facing restrictions and fears of contracting the virus themselves and within their families and friends.

The year has been very challenging in ensuring the recruitment and retention of staff. The turnover of staff has been very high and newly appointed staff members have often left after short periods of time. This is a reflection of a national issue, with caring not seen as a long-term career and to be poorly paid. The Executive Team have worked very hard at addressing these issues, with increased flexibility in the recruitment process, support of new staff and an ongoing support for all staff. The Society has also responded to the Parliamentary Select Committee to raise these issues. In the later months the cost-of-living challenges have been substantial, with increased costs of food and utilities. The Society has continued to support staff at this time, with extra payments in 2022/23 and pay increase in line with the National Living Wage. There has been a major challenge in obtaining reasonable increases in funding from authorities and ensuring that the funding is appropriate to the needs of the residents. This has been difficult and we can only hope that the funding in 2022/23 will be more realistic and provide for the appropriate care of residents.

Staff

Over the years, Birling House and Frindsbury House have built up a strong reputation for the quality of care, kindness and support given to our residents and their families by our staff. The Society is very fortunate to have a loyal and dedicated staff team in both homes who are valued and keen to provide for the individual care needs and aspirations of our residents to deliver the required person-centred outcomes. During the last year the recruitment and retention of staff has been extremely challenging with the Society's staff turnover being much higher than usual and this has been experienced across the care sector generally. We are very aware that a stable staff base provides consistent and enhanced care which is our normal level of service but the past year has been extremely difficult and challenging.

Despite these challenges we have continued to stress the high importance on the personal and professional development of staff which encourages initiative and innovation. The induction programme for all staff reflects the Society's principles, aims and values through which they are encouraged to contribute to the future planning and development of the service.

Staff normally organise community charity events regularly which aims to increase the Society's profile within the local community and the fundraising income goes towards particular activities that many of the residents' love to enjoy. During the first part of the year the Covid-19 pandemic continued and has been very stressful which caused anxiety and distress amongst many residents. However, staff have been undertaking many activities in-house to provide enjoyment and entertainment and support for residents who have been unable to leave the homes and have received restricted visiting by friends and families, including activity days and assistance with on-line communication with families.

Staff Training

The organisation is committed to an extensive training programme for all our staff and this has continued throughout the year including working towards Diploma qualifications at level 2 and level 3 in Health and Social Care through the Qualifications Credit Framework (QCF). This ensures our staff are better trained than is perhaps the norm in residential care homes in this area of practice.

However, Covid-19 still prevented face-to-face training to be undertaken at the beginning of the year in the normal learning environment and so a corporate decision was made in the early stages on for the Society to go forward with on-line training for all staff. The on-line training programme delivered the necessary mandatory courses for all categories of employees with care staff being expected to complete 32 modules for which they are recompensed if completed in their own time. This programme has continued to be extremely effective which means that it will prove to be the method of delivering all training in the future except for any practical training that has to be undertaken face to face.

All new staff undertake an in-depth induction process which gives them a full understanding of the responsibilities of their role, the quality of care we provide and expect to be delivered and the opportunity to explore the working practices and environments at both of our homes.

Occupancy levels

The Society's financial performance depends on overall room occupancy and the level of weekly fees paid on behalf of our residents by the local authorities and the NHS Integrated Commissioning Boards (ICBs). The Society is registered with the Care Quality Commission for 29 rooms at Birling House (29 residents) and 23 rooms (23 residents) at Frindsbury House. In 2021/22, the Society achieved an overall average occupancy rate of 94.8% with Birling House achieving an occupancy level of 92.1% and Frindsbury House achieving 97.5%. During the 2021/22 financial year, a major capital project was undertaken at Birling House, replacing the existing lift with a modern and purpose built one to meet the residents' needs and refurbishing the majority of the bedrooms on the first floor with ensuite facilities. A conscious decision was made by the Trustees and EMT to not accept any new admissions during the construction work and transfer existing residents with bedrooms on the first floor to alternative temporary accommodation on the ground floor whilst this work is was undertaken. The project was started in September 2021 and was completed at the end of March 2022 following a 24-week project. Although this work was deemed as essential, it did result in a reduced occupancy level at this home during this time and obviously affected the fee income for the financial year. Despite the project work at Birling House, the occupancy level at both homes has remained good but the income is reduced over previous years but this was taken account of within the budget that was set for the financial year 2021/22.

Capital Reinvestment - Fabric and equipment

The major development programme for 2021/22 included the installation of a new passenger lift at Birling House to serve the ground and first floors of the home. This major project was completed at the end of March 2022 and now provides added benefits for existing residents as they are able to access different parts of the building easier and quicker and it will also act as an enhanced facility in the case of emergencies and evacuations. This major project together with the refurbishment of several bedrooms on the first floor to include ensuite facilities was started in September 2021 for a period of a total of 24 weeks and was completed by the end of April 2022.

Capital reinvestment into the business from reserves was made in 2021/22 as identified in our Capital Programme. The annual capital budget was agreed but limited by Trustees to essential items identified by the Registered Manager. The total value of the capital programme was £40,000 due to the financial pressures and the austerity measures imposed by Central and Local Government in the care sector generally. A contingency fund of £25,000 was also made available for unexpected capital items and this was fully utilised by the end of the financial year.

The capital programme included investments such as the purchase of replacement equipment for residents at both homes, replacement of flooring to meet infection control measures, installation of air conditioning units to residents' bedrooms and the implementation of a new Wi-Fi service to improve the reception in both homes as well as general, buildings repairs and maintenance. In total, the capital programme actual expenditure amounted to around £48,000 in 2021/22.

Care Quality Commission

Birling House was last inspected by the CQC on 11 July 2017 under the new inspection regime looking at the five key lines of inquiry where questions are asked about the service being (1) Safe (2) Effective (3) Caring (4) Responsive and (5) Well-Led. The outcome of the inspection was that the service was rated 'Good' in all areas and was awarded an overall rating of GOOD. No further visits have been carried out during the year due to the Covid-19 pandemic and to date as CQC have changed and implemented new ways of working to carry out their compliance inspections.

Frindsbury House was last inspected by the CQC on 12 February 2019 and the service was awarded the rating of 'Good' in all five key lines of inquiry. No further visits have been carried out by the CQC since this date and recently the CQC have introduced new ways of working to complete their compliance inspections.

During 2021/22 the CQC have been introducing a new strategy for the changing world of health and social care and the way they regulate to improve the care for everyone aiming to be more relevant to the way care is delivered, more flexible to manage risk and uncertainty and enabling them to respond in a quicker and more proportionate way as the health and care environment continues to evolve. The new strategy strengthens their commitment to deliver their purpose; to ensure health and social care services provide people with safe, effective, compassionate, high-quality care and to encourage those services to improve.

During the last 2.5 years, the CQC have suspended their routine inspection programme in response to the Covid-19 pandemic and do not intend to resume it unless they consider there are risks associated with the service being provided. They have continued to use a mix of intelligence gathering information to ensure the public have assurance as to the safety and quality of the care that is being delivered. The CQC carryout a regular review of the data that is available to them and to date they have not found any evidence that they need to carry out an inspection or reassess the ratings at either home which are currently both rated as GOOD.

FINANCIAL REVIEW

Going Concern

The level of total reserves marginally reduced at the end of the 2021/22 financial year by £171,000 compared with the prior year.

There are various reasons for this marginal reduction which has been attributable to:

1. Although fee income levels have improved over the financial year and occupancy levels have remained good having completed the building work in April 2022, these fees have not kept pace with inflation due to the cost-of-living crisis.
2. Staffing levels remained difficult as a result of the recruitment and retention problems facing the care sector generally and as a result the staffing expenditure significantly increased with the required use of agency staff to fill vacancies
3. Despite the capital programme being reduced with less business reinvestment, the lift project at Birling House was completed at a cost of around £250,000.

There are continuing issues with the fees received from authorities and the annual increases have been small and insufficient to meet the increased expenses particularly around salary and utility costs. There have been ongoing discussions with the relevant commissioners and social work teams and in some cases the fee levels have been readdressed to meet the true cost of care.

After making appropriate enquiries and taking into account the above points, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial risk management objectives and policies

The Society produced another, albeit expected, deficit of £106,673 for the year ended 31 October 2022 following a disappointing result in the prior year from charitable activities. Compared with the previous year, the total income significantly increased by £479,999 from the previous year and the expenditure increased by £66,457, which positively affected the overall financial position of the Society compared to last year's outturn. The Society has experienced a marginal reduction in cash reserves compared with previous financial years which means that further capital reinvestment will have to scaled back along together with a detailed review of fee income and expenditure levels. However, there are still sufficient reserves to allow the Society to remain viable in the coming years.

Staffing costs accounted for 79.5p out of every £1 of fee income in the 2021/22 financial year compared with 88p in the prior year. The majority of our residents require a very high level of specialised individual care and it is necessary to have high staffing levels and highly trained and experienced staff to deliver this unique and person-centred service which maintains the professionalism and reputation of the Society's charitable purpose. There have been severe issues in the recruitment and retention of staff which has been seen nationally within the care sector and this has increased staffing costs. Measures are being taken to reduce the costs as far as possible but national measures may be needed to address this problem.

Although the occupancy levels of the Society remained good within the constraints of the Covid-19 pandemic and the major project work at Birling House during 2021/22, our finances are currently sound but like most care homes within the sector we continually face significant rising costs which has especially been more so during 2021/22. The level of our fee income per resident per week has not kept pace with inflation, the National Living Wage increases or the increased care needs of our residents. During 2021/22 a number of sponsoring authorities/CCGs awarded inflationary increases in weekly fees in an attempt to recognise the ongoing and increasing cost of the National Living Wage on the 1st April each year and also the general cost of living rises on goods and services. The fee increases were significantly below the rate of inflation despite ongoing increased costs, whereas the remaining authorities offered no increase at all or were actively seeking to reducing their costs in line with their budget constraints. We have little control over many of the fixed and variable costs, for instance food and drink, utilities, repairs and maintenance costs and equipment service agreements which have all been subject to a substantial price increase in excess of the general inflation rate level. At the same time the ever-increasing regulation of the care sector brings year on year additional costs which have to be borne and absorbed without any consideration being given to the impact that may have on the operation of individual care homes. This situation has arisen as a result of local government restrictions imposed by central government and national action will be necessary as this situation cannot continue in the future without impacting on the services we can provide.

As a result of the global pandemic and its severe impact on the care sector continued into the first half of 2022, central government allocated grants to support residential care homes with the significant increase in operating costs particularly around staffing, infection prevention and control and PPE, testing and vaccinations in order to protect staffing levels and maintain the safety of residents but these grants were terminated at the end of April 2022. Our two host authorities, namely Kent County Council and Medway Council awarded some remaining Covid-19 funding grants to both homes in different guises amounting to £66,166 for the first 6 months the financial year. Although these funding grants were gratefully received and contributed towards the significantly increased costs, the total value did not meet the continued escalating costs that were being experienced due to the severe and ongoing nature of the Covid-19 pandemic.

As a charity we strive to deliver high-quality, cost-effective care at a fair and true price. However, our income must at least meet our expenditure and allow us to continue to invest for the future. We sincerely hope that our sponsoring authorities will recognise that if charitable residential care homes such as the Mortimer Society are to continue, fee income must reflect the true cost of caring for our residents who have very high dependency and care needs. The funding authorities must also recognise and attempt to meet the increasing pay rates resulting from the imposed year on year increases in the National Living Wage through the future years ahead.

Donations

During the financial year, we received £7,350 in donations from families and friends of the residents (excluding grant income).

The Society also received a small sum of £4,817 from fundraising income as a result of either staff or families arranging social activities such as charity football matches and other events and also internal activities organised by staff for the benefit of the residents such as coffee and cake mornings.

Principal risks and uncertainties

A risk management review process is undertaken by the Executive Management Team and has been approved and adopted by the Trustees. This process is monitored through the Society's Corporate Risk Assurance Framework and this is reviewed, updated as appropriate and reported upon to the Board on a quarterly basis.

The review process enables the CEO, executive managers and Trustees to mitigate risks that might otherwise prevent the Society from achieving its charitable purpose and objectives through its core values.

The Trustees consider the greatest risk at beginning of the financial year was that of the consequences of the ongoing Covid-19 pandemic which seriously affected our residents who have serious underlying health conditions which may lead to significantly reduced occupancy levels. The risk at the end of the year and into 2022/23 is the Cost-of-Living crisis with increases in many food costs, utilities, salaries with insufficient increases in funding from authorities. There is the risk that there may be a continued freeze or even reduction in fees paid by local authorities linked with the significant year on year increased operating costs and staffing costs arising from the National Living Wage through to the year 2022 and probably beyond. Moreover, changes in the political and social climate, a further economic downturn or the continued impact of the pandemic or Brexit would certainly affect the operation of the Charity's business.

The Society has continued to operate the role of Caldicott Guardian this year and the nominated individual is responsible for the Information Governance in recognition of the possible risks surrounding resident data and systems security.

Risks also include a possible shortfall in CQC required outcomes within the service provision and the consequent loss of full compliance which could be a resulting factor. The Society operates a clinical audit and performance management process to rectify any possible failure in standards.

Recruitment and retention of appropriate staff continues to be of significant concern in this unprecedented and challenging climate that results in higher costs due to the use of agency provision whose prices have significantly increased in line with all staffing costs across the health and social care sector.

The cost of living crisis that is being experienced by everyone across the UK will no doubt present ongoing challenges in that fee income is not rising at the same rate as the high level of inflation which means that our income levels are not meeting our rising expenditure and will impact on our level of reserves.

Reserves policy

The total reserves at the end of the financial year amounted to £5,192,029 which included the designated fixed asset fund of £4,097,210 which can only be realised on the disposal of the assets.

At the end of 2021/22 the Society's free reserves stood at £1,072,077 compared with £1,334,197 at the end of the previous year. During the year, the Trustees reviewed the reserves policy and confirmed that an adequate reserve needs to be maintained to allow for any reduction in occupancy levels and for other potential risks and any unexpected eventualities. The reserves policy agreed by the Board of Trustees currently state that reserves should be maintained at a minimum of three months of basic operating expenditure which at this current time amounts to around £900k.

During the year small values of donations were received from families and friends of £7,350 at 31 October 2022 which is included in the total reserves figure above. The expected timing of expenditure of donations received would be within 12 months of receipt and would be spent for the benefit of all the residents.

A Fundraising Consultant has been working on behalf of the Society during 2022 and during 2021/22, the Society received a total of £18,795 of grant funding from various sources including £2,000 from the Hospital Saturday Fund, £5,000 from the B&Q Foundation and £4,320 from the Morrisons Foundation which will be classified as designated funds for the specific purposes of tailor-made slings for hoists and the new lift/refurbishment project at Birling House. Fundraising will continue to support the capital programme and the new development of the lift at Frindsbury House.

Trustees continue to review investment opportunities within the framework of the investment policy to maximise the income of the Society with due consideration to protecting the beneficiaries in our care.

Performance Management

The Board of Trustees have recognised that it is increasingly necessary and good practice for charities to demonstrate organisational performance in the annual reports and accounts.

The Trustees have taken the decision following recommendations by the Charity Commission and our External Auditor to continue to adopt and report upon five key performance indicators (KPIs) for the year ending 31 October 2022.

The five Key Finance Performance Indicators (KFPIs) that are being reported upon in 2021/22 are as follows:

(a) Occupancy level
(b) Total surplus as a percentage of total income
(c) Staffing costs as a percentage of total income by home
(d) Staffing costs and operational costs as a percentage of total costs
(e) Net current assets position

KPIs serve as a measurable value that demonstrates how effectively an organisation is achieving its key business objectives such as performance and progress in order to help evaluate their success in reaching its strategic goals and specific targets.

The Society's results from the KFPIs in the 2021/22 financial year were as follows:

Key Performance Indicator	Birling House		Frindsbury House		Society Total (Inc. Central Dept)	
	Actual	Objective	Actual	Objective	Actual	Objective
Occupancy level	92.1%	96.3%	97.5%	95.6%	94.8%	96.0%
Surplus to Income	15.7%	11.3%	4.0%	-6.8%	-1.5%	-7.8%
Staffing costs to Income	66.0%	69.0%	80.2%	87.9%	79.4%	84.6%
Staff costs to Total Costs	78.3%	77.6%	83.5%	82.3%	78.2%	78.5%
Operational Costs to Total Costs	21.7%	22.4%	16.5%	17.7%	21.8%	21.5%
Net Current Assets	n/a	n/a	n/a	n/a	£1,128,572	n/a

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Society is a registered charity and a company limited by guarantee and as such operates under its Memorandum and Articles of Association, which have received the approval of the Charity Commission.

Method of appointment or election of Trustees

One third of the Trustees must retire at each AGM, those longest in office retiring first. A retiring Trustee who remains qualified may be reappointed. At the date of the Annual General Meeting held on 22 June 2022, two Trustees namely Keith Lagden and Victoria Lepadden were eligible to retire by rotation and were reappointed and therefore all remained on the Board for at least a further year in office. A new Trustee Ravinder Brar joined the Board in March 2022 but unfortunately resigned in November 2022 due to the pressure of her main employment. New trustees will continue to be recruited in 2022/23.

Policies adopted for the induction and training of Trustees

The Society has an appointment and induction programme for Trustees covering the work of the charity including visits to the two homes and an opportunity to meet the Chair of Trustees, the Chief Executive, Executive Management Team, staff and residents.

The programme includes an explanation of the latest financial position, the current year's budget and the longer-term strategies and business plans of the Society. New Trustees are given copies of the Memorandum and Articles of Association together with a Trustee Information Pack which includes Terms of Reference, Annual Report and Financial Statement and a list of Policies and Procedures. Ongoing training is provided by Trustees.

Pay policy for senior staff

The goal of the Charity's pay policy is to offer fair pay to attract and retain appropriately qualified staff to lead, manage, support and deliver the Charity's purpose and aims. It will always be consistent with these aims and within an affordable framework.

The Trustees are responsible for setting remuneration levels for the Charity's staff and reviewing pay for the most senior staff. These senior staff are clearly identified by the Trustees and will typically, although not always, be part of the Charity's executive or senior management team.

The Charity's Remuneration Policy follows the National Council for Voluntary Organisation's (NCVO) guidance of which the Mortimer Society is a member and/or the guidance from the Association of Chief Executives in Voluntary Organisations.

Organisational structure and decision making

The Board of Trustees discharges its responsibility of overseeing the management practice of the Society at its quarterly general and additional meetings and by delegating specific projects to sub-groups if appropriate. The Trustees are, at present, the only members of the Mortimer Society and are entitled to attend and vote at all Annual General Meetings.

The day-to-day management of the Society is delegated to the Chief Executive and to the Executive Management Team. The operational management and the running of the two homes is carried out by the Head of Operations, Head of Care, Quality and Compliance through the Dual Location Registered Manager. Major policy questions affecting the future of the Society are discussed between the Executive Management team and the Trustees who are responsible for making the final decisions.

In November 2017 the Society adopted the principles contained in the revised Charity Good Governance Code which is a Code containing seven main principles as recommended by the Charities Commission for use by Charities in England and Wales. The Society continues to operate within these principles which have been adapted and were updated in June 2021 to reflect the nature of the business within the care sector.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the Society and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks.

PLANS FOR FUTURE PERIODS

Future developments

The main aims and objectives of the Society during 2022/23 are to:

- Ensure that the Society's policies and procedures meet statutory requirements and exceed the standards and expectations of our current regulator, the Care Quality Commission (CQC).
- Remain financially viable in an adverse and turbulent economic climate affecting the care sector as a whole.
- Accomplish staff training programmes relevant to our residents' complex and individual needs in order to meet the expectations of our residents, sponsoring authorities and the CQC.
- Continue to utilise available capital to invest in prioritised projects and estate development at both Birling House and Frindsbury House as set out in the programmes agreed by the Trustees.
- Complete the major capital project of installing a fit for purpose new lift at Frindsbury House
- Continually review the need for new initiatives to improve standards including the delivery of safe care, the catering provision and infection prevention and control to meet the diverse needs of our residents.

- Pursue new business opportunities to provide additional day and respite care placements whenever possible as an introduction opportunity into the service for possible permanent care in the future.

- Continue to review the long-term vision and business diversification strategy in client categories and models of care in line with our expertise and client base.

- Continue to enhance the Society's profile by widening our offer of care to include certain neurological conditions in addition to
- Huntington's disease for which the Mortimer Society is an experienced and reputable provider. This aim will be aided by the use of the Society's website, social media and continually revised marketing material.

- Further develop the web based digital care management system for residents care plans and the recording of all daily information which meets CQC compliance standards and enable the organisation to hold electronic records to fully comply with GDPR regulations.

Major development projects

As part of the Society's estates growth and development plan, it was proposed in 2021 that Frindsbury House would be extended to serve a greater number of beneficiaries with Huntington's disease and other neurological conditions. This would provide seven additional ensuite bedrooms, two extra communal bathrooms and two disabled toilets over two floors plus a large extension to the day lounge including a quieter dining area and an integrated passenger lift on the external of the building. The build would also incorporate a technologically advanced sensory suite and washing and changing facilities for staff to meet the ongoing infection prevention and control procedures. The project would have increased the number of residents that can be accommodated from a 23-bed service to an optimum level of 30 rooms to achieve operational efficiency.

It is now estimated that the purpose-built extension is likely to cost in the region of £3million, a 20% increase over last year's indicative cost. Due to the Covid-19 pandemic throughout 2020/21 and into 2022 and as a result of the financial pressures being experienced across the care sector, it has been decided to postpone this major capital project for the foreseeable future. A review of that decision will be revisited at future meetings of Trustees and at the AGM in 2023 to establish the financial position of the Society at that time.

It was intended that it would be mainly funded from the accumulated general reserves in order to serve a greater number of beneficiaries in the future with a possible option of a short-term loan in order to maintain the level of reserves in line with the policy agreed by Trustees.

It was also anticipated that grant funding would be forthcoming as the Society has engaged an official fund-raiser Heycroft Consulting who has been commissioned to complete and submit applications to both large and smaller grant funding organisations.

There are plans to develop part of the garden adjacent to the activity suite to become a sensory garden, with resident involvement in the designing. It is believed that the residents will enjoy participating with the choice of planting and developing the area to their preference, promoting a sense of worth and well-being along with their independence. The result is to have a pleasant and stimulating atmosphere and environment that can be used and enjoyed by residents and their visitors. Fundraising is being undertaken to fund this development.

In 2023 a new lift is planned to be installed at Frindsbury House, as the existing lift is unreliable and not fully fit for purpose. The new lift will allow access for beds and large wheelchairs enabling residents to access all parts of the House. This work is external to the existing fabric of the House and will cause minimal disruption to residents and all rooms can be continued to be used throughout the work.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 safe guarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The Society's auditors are appointed by a Resolution of the Society's Annual General Meeting.

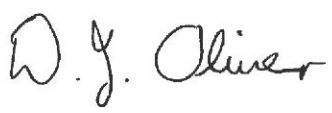
At the last AGM, UHY Hacker Young were re-appointed as auditors following a unanimous decision made by the Trustees.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees on 29 March 2023 and signed on their behalf by:



Dr D J Oliver, Chair

Independent Auditors' Report to the Trustees of The Mortimer Society

Opinion

We have audited the financial statements of The Mortimer Society (the 'charity') for the year ended 31 October 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

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.

Auditors' 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 Auditors' 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditors' Report to the Trustees of The Mortimer Society (continued)

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 set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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 minutes of meetings of Trustees; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Charity's trustees, 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 Charity's trustees those matters we are required to state to them in an Auditors' 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 Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Kent LLP

Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 30 March 2023

The Mortimer Society
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 October 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:					
Donations and legacies	4	21,781	77,486	99,267	*164,086*
Charitable activities	5	4,176,162	-	4,176,162	*3,634,240*
Other trading activities	6	4,817	-	4,817	*1,518*
Investments	7	9,540	-	9,540	*9,943*
Total income		4,212,300	77,486	4,289,786	*3,809,787*
Expenditure on:					
Raising funds	8	5,435	-	5,435	*3,378*
Charitable activities	9	4,310,298	80,726	4,391,024	*4,326,624*
Total expenditure		4,315,733	80,726	4,396,459	*4,330,002*
Net movement in funds		(103,433)	(3,240)	(106,673)	*(520,215)*
Reconciliation of funds:					
Total funds brought forward		5,295,462	3,240	5,298,702	*5,818,917*
Net movement in funds		(103,433)	(3,240)	(106,673)	*(520,215)*
Total funds carried forward	17	5,192,029	-	5,192,029	*5,298,702*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 33 form part of these financial statements.

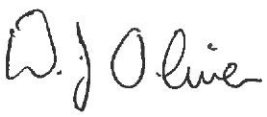
The Mortimer Society
(A Company Limited by Guarantee)
Registered number: 01741444

Balance Sheet
As at 31 October 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	14		4,097,210		*3,951,576*
Current assets					
Debtors	15	250,923		*177,292*	
Cash at bank and in hand		1,141,635		*1,459,229*	
		1,392,558		*1,636,521*	
Creditors: amounts falling due within one year	16	(297,739)		*(289,395)*	
Net current assets			1,094,819		*1,347,126*
Total net assets			5,192,029		*5,298,702*
Charity funds					
Restricted funds	17		-		*3,240*
Unrestricted funds	17		5,192,029		*5,295,462*
Total funds			5,192,029		*5,298,702*

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr. D. Oliver
(Chair of Trustees)

Date: 29 March 2023

The notes on pages 18 to 33 form part of these financial statements.

The Mortimer Society
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 October 2022

	Note	2022 £	*2021 £*
Cash flows from operating activities			
Net cash used in operating activities	19	16,448	*(343,252)*
Cash flows from investing activities			
Dividends, interests and rents from investments		9,540	*9,943*
Purchase of tangible fixed assets		(343,582)	*(167,215)*
Net cash used in investing activities		(334,042)	(157,272)
Change in cash and cash equivalents in the year		(317,594)	(500,524)
Cash and cash equivalents at the beginning of the year		1,459,229	*1,959,753*
Cash and cash equivalents at the end of the year	20	1,141,635	*1,459,229*

The notes on pages 18 to 33 form part of these financial statements

Notes to the Financial Statements For the Year Ended 31 October 2022

1. General information

The Mortimer Society is a charitable company limited by guarantee, registered in England and Wales. Its registered office is 42 Hollywood Lane, Frindsbury, Rochester, Kent, ME3 8AL.

The nature of the charity's operations, and its principal activity is to provide relief of suffering for people with physical and/or learning difficulties and/or physical and/or mental illness of any description, including people suffering from Huntington's disease.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (January 2022) and the Companies Act 2006.

The Mortimer Society meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The currency used in the financial statements is Pound Sterling.

2.2 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, as there are sufficient reserves to cope with any potential shortfall in income which may occur.

The Covid-19 pandemic has affected the Society adversely, as the outbreaks in the homes have led to vacancies, which may be difficult to fill, and extra costs due to the increased needs for testing, staff illness and isolation due to the outbreak and the provision of equipment and new working practices to ensure the safety of residents, their families and staff.

Initially in the pandemic there were shortages of protective personal equipment, but this has been resolved and there has been Governmental support for these extra costs throughout the pandemic, including 2022. However, the extra costs of staffing and support of visiting have not been fully met and costs have risen. The Trustees and the management team are committed to maintaining the safety of residents, families and staff and ensuring any risks are minimised, following national guidance from the CQC, Public Health England and working with other NHS and LA bodies.

These issues should lessen further over 2023, as the infections due to the pandemic lessen and vaccination becomes more widespread. The income will improve as residents are admitted and the extra costs will diminish, with improvement of the overall situation.

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use use of the charity of the item is probable and that economic benefit can be measured reliably.

Provision of care services

Fees from a contract to provide care related services are recognised in the period in which the services are provided on an accruals basis. Any fees invoiced in advance are included within deferred income until the service has been provided. Fees that are invoiced in arrears are included within accrued income, based on the fixed fee rate for each individual resident. The charity's charitable activities are exempt from Value Added Tax. Income from investments and bank interest is included when receivable and the amount can be measured reliably.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively in the pursuance of charitable purposes. No tax charge has arisen in the year.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Over 50 years
Integral features (included within buildings)	- Over 15-20 years
Freehold land	- Nil
Motor vehicles	- Over 3 years
Household furniture and equipment	- Over 5 years

2.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term 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.

2.9 Liabilities and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount.

2.10 Financial instruments

The Charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trustees consider that there are no significant estimates or critical judgements which are likely to affect the Charity.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Donations				
Donations	7,350	-	7,350	*951*
Donated goods	14,431	-	14,431	-
Total Donations	21,781	-	21,781	*951*
Grants	-	18,795	18,795	*3,240*
Government grants	-	58,691	58,691	*159,895*
Subtotal	-	77,486	77,486	*163,135*
Total 2022	21,781	77,486	99,267	*164,086*
Total 2021	*951*	*163,135*	*164,086*	

4. Income from donations and legacies (continued)

During the pandemic, the central government issued grants to support residential care homes with the significant increase in operating costs particularly around personal protective equipment and in maintaining staffing levels in an attempt to maintain the safety of residents and staff. The grants have no unfilled conditions or contingencies.

Donated goods were received during the year relating the personal protective equipment. There are no conditions or contingencies attached to the donated goods.

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Provision of care services	4,176,162	4,176,162	*3,634,240*
Total 2021	*3,634,240*	*3,634,240*	

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Fundraising	4,817	4,817	*1,518*
Total 2021	*1,518*	*1,518*	

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Bank deposit interest	9,540	9,540	*9,943*
Total 2021	*9,943*	*9,943*	

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Fundraising	5,435	5,435	*3,378*
Total 2021	*3,378*	*3,378*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	*Total 2021 £*
Provision of care services	4,310,298	80,726	4,391,024	*4,326,624*
Total 2021	*4,166,729*	*159,895*	*4,326,624*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	*Total funds 2021 £*
Provision of care services	4,022,046	368,978	4,391,024	*4,326,624*
Total 2021	*3,942,482*	*384,142*	*4,326,624*	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of care services 2022 £	Total funds 2022 £	*Total funds 2021 £*
Staff costs	2,855,965	2,855,965	*2,893,332*
Depreciation	197,947	197,947	*188,404*
Staff recruitment	4,790	4,790	*7,313*
Travel and other staff costs	79,028	79,028	*64,596*
Resident costs including food and household expenses	472,250	472,250	*523,833*
Property costs	139,192	139,192	*117,920*
Insurance	34,775	34,775	*31,789*
Agency costs	237,989	237,989	*114,308*
Professional fees	110	110	*900*
Bad debts	-	-	*87*
	4,022,046	4,022,046	*3,942,482*
Total 2021	*3,942,482*	*3,942,482*	

Analysis of support costs

	Provision of care services 2022 £	Total funds 2022 £	*Total funds 2021 £*
Staff costs	283,702	283,702	*281,151*
General office costs	63,966	63,966	*79,392*
Communications	4,067	4,067	*5,596*
Professional fees	6,411	6,411	*7,921*
Bank charges	1,097	1,097	*1,226*
Governance costs	9,735	9,735	*8,856*
	368,978	368,978	*384,142*
Total 2021	*384,142*	*384,142*	

11. Auditor's remuneration

	2022 £	*2021 £*
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts (inclusive of VAT)	7,500	*7,482*

12. Staff costs

	2022 £	*2021 £*
Wages and salaries	2,882,776	*2,929,204*
Social security costs	196,527	*190,363*
Pension costs	60,364	*54,916*
	3,139,667	*3,174,483*

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	*2021 No.*
Provision of care services	128	*127*
Administration and support	15	*14*
Senior management	1	*1*
	144	*142*

The average headcount expressed as full-time equivalents was:

	2022 No.	*2021 No.*
Provision of care services	124	*127*
Administration and support	13	*13*
Senior management	1	*1*
	138	*141*

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	*2021* *No.*
In the band £60,001 - £70,000	1	*1*

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the Senior Management Team. The total aggregate amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charity was £207,402 *(2021: £200,996)*.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL)*.

During the year ended 31 October 2022, no Trustee expenses have been incurred *(2021 - £NIL)*.

14. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 November 2021	5,084,030	72,367	949,668	6,106,065
Additions	296,434	-	47,148	343,582
At 31 October 2022	5,380,464	72,367	996,816	6,449,647
Depreciation				
At 1 November 2021	1,346,325	71,661	736,503	2,154,489
Charge for the year	108,462	706	88,780	197,948
At 31 October 2022	1,454,787	72,367	825,283	2,352,437
Net book value				
At 31 October 2022	3,925,677	-	171,533	4,097,210
At 31 October 2021	*3,737,705*	*706*	*213,165*	*3,951,576*

Included in land and buildings is freehold land with an estimated cost of £219,000 which is not depreciated.

15. Debtors

	2022 £	*2021 £*
Due within one year		
Trade debtors	229,589	*151,731*
Other debtors	127	-
Prepayments and accrued income	21,207	*25,561*
	250,923	*177,292*

16. Creditors: Amounts falling due within one year

	2022 £	*2021 £*
Trade creditors	83,799	*72,580*
Other taxation and social security	48,103	*49,578*
Other creditors	32,965	*32,288*
Accruals and deferred income	132,872	*134,949*
	297,739	*289,395*

	2022 £	*2021 £*
Deferred income at 1 November	26,631	-
Resources deferred during the year	30,289	*26,631*
Amounts released from previous periods	(26,631)	-
	30,289	*26,631*

Income relating to the provision of care services has been deferred as it was received in advance of the agreed performance obligation. The Charity has not met the criteria to recognise this income as revenue and therefore has been deferred until the revenue recognition criteria has been met.

17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2022 £
Unrestricted funds					
Designated funds					
Birling House donations	6,713	50	-	(4,356)	2,407
Frindsbury House donations	2,976	7,300	(49)	-	10,227
Fixed assets	3,951,576	-	(197,947)	343,585	4,097,214
Birling House Fundraising	-	4,555	(175)	4,769	9,149
Frindsbury House Fundraising	-	-	-	955	955
	3,961,265	11,905	(198,171)	344,953	4,119,952
General funds					
General Funds - all funds	1,334,197	4,185,964	(4,103,131)	(344,953)	1,072,077
Total Unrestricted funds	5,295,462	4,197,869	(4,301,302)	-	5,192,029
Restricted funds					
Emergency claim	-	10,274	(10,274)	-	-
Rapid testing, IPC & vaccine fund	-	48,417	(48,417)	-	-
Hedley Foundation	3,240	-	(3,240)	-	-
Birling House development fund	-	18,795	(18,795)	-	-
	3,240	77,486	(80,726)	-	-
Total of funds	5,298,702	4,275,355	(4,382,028)	-	5,192,029

17. Statement of funds (continued)

Designated funds

The Birling and Frindsbury House designated funds hold donations received at each house during the year. These individual funds will be used to fund purchases of items outside of the general operating budget of the charity and the managers and staff at each of the homes will be able to suggest ideas on how they believe this should be spent.

The designated fixed assets fund represents the net book value of tangible and intangible assets. An amount is transferred to or from the fund each year representing the movement in the net book value of tangible fixed assets at the year end.

Unrestricted funds

These are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

The emergency claim funding was provided from local authorities, with the purpose of providing additional support in excess of the infection control grant during the Covid-19 pandemic for care homes & community care services. The funding received was spent on the prevention of the spread of Covid-19 in the charity's care homes.

The workforce capacity funding was provided by local authorities to supplement and strengthen adult social care staff capacity to ensure that safe and continuous care is achieved. The funding was spent on strengthening the care staff capacity to ensure the continuity of the care provision in the event of pressures around workforce shortages.

The rapid testing, IPC & vaccine funding was received from local authorities with the purpose of limiting the spread of the COVID-19 infection at the charity's care home. The funding was spent on equipment such as testing kits, PPE & vaccinations.

The Hedley Foundation grant was received for the purpose of installing hoists/slings as part of a project to aid care services. The grant will be used at Birling House towards the refurbishment of the rooms on the first floor and the hoists which are required as part of the project work.

The infection control funding was provided by local authorities for the purpose of limiting the spread of the COVID-19 infection at the charity's care homes. The funding was spent on ensuring that staff were paid their normal wages in the event of isolating in line with government guidance, but also limiting unnecessary staff movement between settings.

The Birling House development funding was provided by several grant-giving charities for the purpose of renovating Birling House, which includes installation of a lift to provide better accessibility to all areas of the home. The funding was spent for this purpose as part of the lift installation that occurred during the year.

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 November 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 October 2021* £
Unrestricted funds					
Designated funds					
Birling House donations	*12,167*	*544*	*(4,673)*	*(1,325)*	*6,713*
Frindsbury House donations	*13,757*	*407*	*(3,351)*	*(7,837)*	*2,976*
Fixed assets	*3,972,765*	-	*(187,315)*	*166,126*	*3,951,576*
	3,998,689	*951*	*(195,339)*	*156,964*	*3,961,265*
General funds					
General funds	*1,820,228*	*3,645,701*	*(3,974,768)*	*(156,964)*	*1,334,197*
Total Unrestricted funds	*5,818,917*	*3,646,652*	*(4,170,107)*	-	*5,295,462*
Restricted funds					
Emergency claim	-	*37,304*	*(37,304)*	-	-
Workforce capacity fund	-	*18,345*	*(18,345)*	-	-
Rapid testing, IPC & vaccine fund	-	*44,484*	*(44,484)*	-	-
Hedley Foundation	-	*3,240*	-	-	*3,240*
Infection control	-	*59,762*	*(59,762)*	-	-
	-	*163,135*	*(159,895)*	-	*3,240*
Total of funds	*5,818,917*	*3,809,787*	*(4,330,002)*	-	*5,298,702*

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	4,097,210	4,097,210
Current assets	1,392,558	1,392,558
Creditors due within one year	(297,739)	(297,739)
Total	5,192,029	5,192,029

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	*Restricted funds 2021 £*	*Total funds 2021 £*
Tangible fixed assets	*3,951,576*	-	*3,951,576*
Current assets	*1,633,281*	*3,240*	*1,636,521*
Creditors due within one year	*(289,395)*	-	*(289,395)*
Total	*5,295,462*	*3,240*	*5,298,702*

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	*2021 £*
Net expenditure for the year (as per Statement of Financial Activities)	(106,673)	*(520,215)*
Adjustments for:		
Depreciation charges	197,948	*188,404*
Dividends, interests and rents from investments	(9,540)	*(9,943)*
Increase in debtors	(73,631)	*(60,415)*
Increase in creditors	8,344	*58,917*
Net cash provided by/(used in) operating activities	16,448	*(343,252)*

20. Analysis of cash and cash equivalents

	2022	*2021*
	£	*£*
Cash in hand	1,141,635	*1,459,229*
Total cash and cash equivalents	1,141,635	*1,459,229*

21. Analysis of changes in net debt

	At 1 November 2021	Cash flows	At 31 October 2022
	£	£	£
Cash at bank and in hand	1,459,229	(317,594)	1,141,635
	1,459,229	(317,594)	1,141,635

22. Capital commitments

	2022	*2021*
	£	*£*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	*283,632*

The above commitment refers to the Birling House passenger lift and refurbishment of bedrooms which was completed in the year ended 31 October 2022.

23. Pension commitments

The Charity operates a defined contribution pension scheme open to all permanent employees. During the year the Charity contributed £60,364 *(2021: £54,916)* on behalf of employees who have opted into the scheme. Of these contributions £12,807 *(2021: £13,216)* remained outstanding at the balance sheet date and is included within current liabilities.

24. Operating lease commitments

At 31 October 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	*2021* *£*
Not later than 1 year	15,639	*17,341*
Later than 1 year and not later than 5 years	43,283	*52,305*
Later than 5 years	-	*3,960*
	58,922	*73,606*

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

There were no related party transactions identified during the year.

THE MORTIMER SOCIETY

England & Wales - Charity number 287579

Accounts

Registered number: 01741444
Charity number: 287579

The Mortimer Society

(A Company Limited by Guarantee)

Trustees' Report and Financial Statements

For the Year Ended 31 October 2021

The Mortimer Society
(A Company Limited by Guarantee)

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The Mortimer Society
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 October 2021

Trustees
Dr D J Oliver, Chair
Dr T J Cantor, Vice Chair
Mrs J Grimmett
Mr K Lagden
Mrs V Lepadden
Mr P Ball
Mrs C Clinton (appointed 29 September 2021)

Company registered number

01741444

Charity registered number

287579

Registered office

42 Hollywood Lane, Frindsbury, Rochester, Kent, ME3 8AL

Chief Executive Officer

Mr Paul Studd

Executive Management Team

Mrs Susan Matthews, Head of Operations
Mrs Elaine Runeckles, Head of Care, Quality & Compliance
Mrs Tracey Edwards, Dual Location Registered Manager, Birling House and Frindsbury House

Independent auditor

UHY Kent LLP t/a UHY Hacker Young, Thames House, Roman Square, Sittingbourne, Kent, ME10 4BJ

Bankers

National Westminster Bank Plc, 64 High Street, New Malden, Surrey, KT3 4HB

Solicitors

Russell-Cooke LLP, 2 Putney Hill, Putney, London, SW15 6AB

Trustees' Report
For the Year Ended 31 October 2021

The Trustees present their annual report, including the strategic report, together with the audited financial statements of the charitable company for the period 1 November 2020 to 31 October 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Charities SORP (FRS 102) (second edition), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102)".

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Society gives due regard to the guidance published by the Charity Commission on public benefit and the Trustees consider the Charity is compliant. The purpose of the Society, as set out in the Society's Memorandum of Association, is to provide relief for those in need by reason of ill health or disability particularly a physical and/or a learning disability and in particular those people suffering from Huntington's Disease and other neurological conditions.

Strategies for achieving objectives

The objectives are achieved through the provision of long-term residential care for adults across two residential homes owned by the charity, Birling and Frindsbury House. One of the homes is in West Kent and the other in Medway but both welcome clients from all over the country. The majority of our residents are sponsored by their Local Authority Social Services or by their NHS Clinical Commissioning Group. Prior to admission to either of our homes, a full assessment of a prospective resident is carried out with the help of relatives and the social care case manager and other social care professionals to ensure that we can provide the most appropriate level of care and support.

No one receives any private benefit from the charity other than the care services we provide.

Activities for achieving objectives

By considering our aims, objectives and activities each year, we strive to deliver the most effective and beneficial outcomes. We also ensure that the environment of our homes and the activities and services we provide make our homes attractive to prospective residents, their families and commissioners. In each home we offer:

- An integrated Activities Team
- Well-equipped Activity Suites including the provision of facilities such as family accommodation, TV, hair dressing salon, PC and Tablets with internet access and an interactive game tables with Wi-Fi connectivity
- Adapted mini-buses and an MPV for the benefit of the residents
- Wheelchair accessible gardens for the enjoyment of residents and their families and visitors
- Regular visits by musicians and entertainers
- Trips to the theatre, cinema, shopping and places of individual interest
- Music therapy, aromatherapy and chiropody
- Speech and language therapy
- Multi-sensory rooms
- Programmes for Activities of Daily Living
- Residents, Family and Carers assemblies and social events
- Access to laptops and tablets to facilitate communication with families and friends through Zoom, WhatsApp, FaceTime and other online social media channels.

Involvement of Volunteers

Volunteers from local schools and colleges under normal circumstances visit residents who have no family contacts. One volunteer, the retired catering manager from Birling House delivers 1:1 and group cooking support on at least a monthly basis; other volunteers, one of whom is the mother of a deceased resident and two others who are ex members of staff, deliver buddy support to residents at Birling House who have no family or do not receive regular visitors. However, during the whole of 2020/21 this interaction has not been possible due to the Covid-19 restrictions imposed by Government which has affected both homes.
Advocacy

The Society has close links to the Independent Mental Capacity Advocacy (IMCA) service. The service provides support on a confidential basis for residents who are unable to represent themselves and have no close family and friends.

Mandatory and Specialised Training

Staff training is carried out regularly and includes: Fire Safety, Health and Safety, Safeguarding of Vulnerable Adults, Infection Prevention and Control, Moving and Handling, Mental Capacity and Deprivation of Liberty, Food Hygiene and First Aid. In addition to this training, we also offer staff training on a wide range of subjects including Medication, Report Writing, Equality and Diversity, Communication Skills, Huntington's disease, Multiple Sclerosis, Parkinson's disease and Dementia. The Society also prides itself in providing support to new employees who are new to social care as part of their induction process, in achieving the Care Certificate. This qualification is an agreed set of standards published by Skills for Care that sets out the knowledge, skills and behaviours expected of specific job roles by workers in the health and social care sectors. The Certificate comprises of 15 minimum standards and forms part of any new employee's robust induction programme.

It has been an extremely difficult and challenging year for the care sector during 2021 due to the Covid-19 pandemic and it has been necessary to deliver Covid awareness training to all staff including the donning and doffing of personal protective equipment (PPE) in order to maintain the safety of both the residents and staff at all times.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Activities and achievements during the year

This financial year has yet again been very challenging year due to the Covid-19 pandemic. The pandemic has affected many of the activities for residents and restricted visiting by family and friends. The Executive Management Team and all staff have worked very hard to maintain the care provided for residents at a very high level and to provide extra support for the residents. The Board of Trustees have been extremely supportive throughout this time and are very grateful to all staff for this extra commitment during these very difficult times, when they were also facing restrictions and fears of contracting the disease for themselves, their families and friends.

Staff

Over the years, Birling House and Frindsbury House have built up a strong reputation for the quality of care, kindness and support given to our residents and their families by our staff. The Society is very fortunate to have a loyal and dedicated staff team in both homes who are valued and keen to provide for the individual care needs and aspirations of our residents to deliver the required person-centred outcomes. During the last year, the Society's staff turnover has been much higher than usual with severe recruitment and retention difficulties which has been experienced across the care sector generally. We are very aware that a stable staff base provides consistent and enhanced care which is our normal level of service but the past year has been extremely difficult and challenging.

High importance is placed on the personal and professional development of staff which encourages initiative and innovation. The induction programme for all staff reflects the Society's principles, aims and values through which they are encouraged to contribute to the future planning and development of the service.

Staff normally organise community charity events regularly which aims to increase the Society's profile within the local community and the fundraising income goes towards particular activities that many of the residents' love to enjoy. These have not been possible during the year due to the Covid-19 pandemic which has been very stressful and has caused anxiety and distress amongst many residents. However, staff have been undertaking many activities in-house to provide enjoyment and entertainment and support for residents who have been unable to leave the homes and have received restricted visiting by friends and families, including activity days and assistance with on-line communication with families.

Staffing at both homes have been severely affected by the Covid-19 pandemic in 2021 as a result of either care staff receiving positive tests or having to isolate due to affected family members or having been contacted by the Track and Trace system.

There has not been a good pool of candidates from the job applications and it has been extremely difficult to retain new members of staff as it appears that applicants who apply for care jobs do not appreciate the work involved and leave the position after a very short time through their probationary period. These issues are being addressed by the Executive Management Team with careful consideration being given to the recruitment process, the induction programme and the ongoing support of staff.

Staff Training

The organisation is committed to an extensive training programme for all our staff and this has continued throughout the year including working towards Diploma qualifications at level 2 and level 3 in Health and Social Care through the Qualifications Credit Framework (QCF). This ensures our staff are better trained than is perhaps the norm in residential care homes in this area of practice.

However, Covid-19 prevented face-to-face training to be undertaken in the normal learning environment for most of the year and so a corporate decision was made early on for the Society to go forward with on-line training for all staff. The on-line training programme delivered the necessary mandatory courses for all categories of employees with care staff being expected to complete 27 modules for which they are recompensed if completed in their own time. This programme has continued to be extremely effective which means that it will prove to be the method of delivering all training in the future except for any practical training that has to be undertaken face to face.

All new staff undertake an in-depth induction process which gives them a full understanding of the responsibilities of their role, the quality of care we provide and expect to be delivered and the opportunity to explore the working practices and environments at both of our homes.

Occupancy levels

The Society's financial performance depends on overall room occupancy and the level of weekly fees paid on behalf of our residents by the local authorities and the NHS Clinical Commissioning Groups (CCGs). The Society is registered with the Care Quality Commission for 31 rooms at Birling House (31 residents) and 23 rooms (23 residents) at Frindsbury House. In 2020/21, the Society achieved an overall average occupancy rate of 87.9% with Birling House achieving an occupancy level of 79.0% and Frindsbury House achieving 96.7%. During the 2020/21 financial year, it was decided to undertake a major project at Birling House of replacing the existing lift with a purpose built one and also refurbishing the majority of the bedrooms on the first floor with ensuite facilities. A conscious decision was made by the Trustees and EMT to not accept any new admissions during the year and transfer existing residents with bedrooms on the first floor to alternative but temporary accommodation on the ground floor whilst this work is being undertaken. The project was started in September 2021 and is expected to continue for 20 weeks until the end of February 2022. Although this work was deemed as essential, it has resulted in the occupancy level at this home being much lower than expected due to the eight vacant rooms. Despite the project work at Birling House, the occupancy level at both homes has remained good but there has been a reduction in fee income over previous years.

Capital Reinvestment - Fabric and equipment

A significant amount of capital reinvestment into the business from reserves was made in 2020/21 as identified in our Capital Programme. The annual capital budget was agreed but limited by Trustees to approximately £122,000 due to the uncertain economic times and the austerity measures imposed by Central and Local Government in the care sector generally. A contingency fund of £20,000 was made available for unexpected capital items and this was fully utilised at the end of the financial year. There was also the continued added uncertainty due to the Covid-19 pandemic throughout 2021 and the implications that it has brought to the economy. Although the capital programme included investments such as the purchase of replacement equipment for residents at both homes as well as in general, important buildings repairs and maintenance across the Society, due to the Covid-19 restrictions the work was limited work and the total amount spent was only £82,200 for the year. Infection prevention and control facilities for staff changing and washing and testing areas for visiting families which were implemented last year due to Covid-19 continue to be in operation in both homes.

Care Quality Commission

Birling House was last inspected by the CQC on 11 July 2017 under the new inspection regime looking at the five key lines of inquiry where questions are asked about the service being (1) Safe (2) Effective (3) Caring (4) Responsive and (5) Well-Led. The outcome of the inspection was that the service was rated 'Good' in all areas and was awarded an overall rating of GOOD. Although a visit by the CQC was imminent at the beginning of 2020, no further visit was carried out during the year due to the Covid-19 pandemic as CQC inspectors were not undertaking compliance inspections as a result.

Frindsbury House was last inspected by the CQC on 12 February 2019 and the service was awarded the rating of 'Good' in all five key lines of inquiry. A follow up inspection by CQC at Frindsbury House was due early in 2020 but again due to the Covid-19 pandemic that inspection has not taken place to date.

However, since March 2020 the CQC have continued to follow their transitional regulatory approach in response to the Covid-19 pandemic by pursuing their Emergency Support Framework (ESF) as an additional monitoring tool, to support structured and consistent conversations with providers. The ESF helped inspectors to understand where there were risks of unsafe care and to prioritise support to address such issues and share learning from providers that were using innovative ways to manage their services. Both homes have undertaken these ESF conversations on several occasions with the nominated inspectors with a satisfactory outcome and no concerns were raised that had to be addressed. During the last 18 months, the CQC have suspended their routine inspection programme in response to Covid-19 and do not intend to resume it for the immediate future. They have continued to use a mix of intelligence gathering information to ensure the public have assurance as to the safety and quality of the care that is being delivered. The CQC carryout a regular review of the data that is available to them and to date they have not found any evidence that they need to carry out an inspection or reassess the ratings at either home which are currently both rated as GOOD.

FINANCIAL REVIEW

Going Concern

The level of reserves has reduced at the end of the 2020/21 financial year by £520,000 compared with the prior year. There are various reasons for this reduction which has been attributable to:

1. Reduced fee income as a result of lower-than-expected occupancy levels at Birling House compared with the budget
2. Significantly increased staffing and operational expenditure levels due to Covid-19
3. The capital programme with business reinvestment items
4. Capital payments to the Architect, Quantity Surveyor and building contractor in connection with the major project work at Birling House

These issues are time limited and in 2022 the newly refurbished rooms will be available for use. There are issues with the fees received from authorities but these are being discussed with the relevant commissioners and social work teams.

After making appropriate enquiries and taking into account the above points, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial risk management objectives and policies

The Society produced a disappointing but expected deficit of £520,215 for the year ended 31 October 2021 following a pleasing result in the prior year from charitable activities. In commercial terms this deficit would be considered as a negligible return on capital employed but however, the Society has now experienced a significant reduction in cash reserves which means that further capital reinvestment will have to scaled back along together with a detailed review of fee income and expenditure levels. Compared with the previous year, the total income significantly reduced by £293,678 from the previous year and the expenditure increased by £411,553 which adversely affected the overall financial position of the Society compared with last year's outturn. The significant increase in expenditure was eased by the receipt of various Covid-19 grants awarded from central government through the local host authorities.

It is pertinent to note that staffing costs accounted for 88p out of every £1 of fee income in the 2020/21 financial year compared with 73p in the prior year. The majority of our residents require a very high level of specialised individual care and it is necessary to have high staffing levels and highly trained and experienced staff to deliver this unique but person-centred service which maintains the professionalism and reputation of the Society's charitable purpose. There have been severe issues in the recruitment and retention of staff which has been seen nationally within the care sector and this has increased staffing costs. Measures are being taken to reduce the costs as far as possible but national measures may be needed to address this problem.

Although the occupancy levels of the Society remained good within the constraints of the Covid-19 pandemic and the major project work at Birling House during 2020/21, our finances are currently sound but like most care homes within the sector we continually face significant rising costs which has especially been more so during 2020/21. In contrast, the level of our fee income per resident per week has not kept pace with inflation, the living wage increases or the increased care needs of our residents. During 2020/21 a number of sponsoring authorities/CCGs awarded inflationary increases in weekly fees in an attempt to recognise the ongoing and increasing cost of the National Living Wage on the 1st April each year and also the general cost of living rises on goods and services. The fee increases were significantly below the rate of inflation despite ongoing increased costs, whereas the remaining authorities offered no increase at all or were actively seeking to reducing their costs in line with their budget constraints. While it is appreciated this situation has arisen as a result of local government budget restrictions imposed by central government, it is not a situation that can prevail in the future without impacting on the services we can provide. We have little control over many of the fixed and variable costs, for instance food and drink, utilities, repairs and maintenance costs and equipment service agreements which have all been subject to a substantial price increase in excess of the general inflation rate level. At the same time the ever-increasing regulation of the care sector brings year on year additional costs which have to be borne and absorbed without any consideration being given to the impact that may have on the operation of individual care homes.

As a result of the global pandemic and its severe impact on the care sector throughout 2021, central government allocated grants to support residential care homes with the significant increase in operating costs particularly around staffing, infection prevention and control and PPE, testing and vaccinations in order to protect staffing levels and maintain the safety of residents.

Our two host authorities, namely Kent County Council and Medway Council have awarded numerous Covid-19 funding grants to both homes in different guises amounting to £183,197 during the financial year. Although these funding grants were gratefully received and contributed towards the significantly increased costs, the total value did not meet the continued escalating costs that were being experienced due to the severe and ongoing nature of the Covid-19 pandemic.

As a charity we strive to deliver high-quality, cost-effective care at a fair and true price. However, our income must at least meet our expenditure and allow us to continue to invest for the future. We sincerely hope that our sponsoring authorities will recognise that if charitable residential care homes such as the Mortimer Society are to continue, fee income must reflect the true cost of caring for our residents who have very high dependency and care needs. The funding authorities must also recognise and attempt to meet the increasing pay rates resulting from the imposed year on year increases in the National Living Wage through the future years ahead.

Donations

During the financial year, we received £951 in donations (excluding grant income) from various sources including donations made by families and friends of our residents.

The Society also received a small sum of £1,518 from fundraising income as a result of either staff or families arranging social activities such as charity football matches and other events and also internal activities organised by staff for the benefit of the residents such as coffee and cake mornings.

Principal risks and uncertainties

There are of course risks and uncertainties that may impact on the Society's business in the future.

A risk management review process is undertaken by the Executive Management Team which has been approved and adopted by the Trustees. This process is monitored through the Society's Corporate Risk Assurance Framework which is reviewed, updated as appropriate and reported upon to the Board on a quarterly basis.

The review process enables the CEO, executive managers and Trustees to mitigate risks that might otherwise prevent the Society from achieving its charitable purpose and objectives through its core values.

The Trustees consider the greatest risk at present to be that of the consequences of the ongoing Covid-19 pandemic which may seriously affect our residents who have serious underlying health conditions which may lead to significantly reduced occupancy levels. There is also the risk that there may be a continued freeze or even reduction in fees paid by local authorities linked with the significant year on year increased operating costs and staffing costs arising from the National Living Wage through to the year 2021 and probably beyond.

The Society has continued to operate the role of Caldicott Guardian this year and the nominated individual is responsible for the Information Governance in recognition of the possible risks surrounding resident data and systems security.

Risks also include a possible shortfall in CQC required outcomes within the service provision and the consequent loss of full compliance which could be a resulting factor. The Society operates a clinical audit and performance management process to rectify any possible failure in standards. Changes in the political or social climate, a further economic downturn or the continued impact of the pandemic or Brexit would certainly affect the operation of the Charity's business.
Recruitment and retention of appropriate staff continues to be of significant concern in this unprecedented and challenging climate that results in higher costs due to the use of agency provision whose prices have significantly increased in line with all staffing costs across the health and social care sector.

Reserves policy

The total reserves at the end of the financial year amounted to £5,298,702 which included the designated fixed asset fund of £3,951,576 but of course this fund can only be realised on the disposal of the assets.

At the end of 2020/21 the Society's free reserves stood at £1,334,197 compared with £1,820,228 at the end of the previous year. During the year the Trustees reviewed the reserves policy and confirmed that an adequate reserve needs to be maintained to allow for any reduction in occupancy levels and for other potential risks and any unexpected eventualities. The reserves policy agreed by the Board of Trustees currently state that reserves should be maintained at a minimum of three months of basic operating expenditure which at this current time amounts to around £900k.

During the year small values of donations were received from families and friends of £951 at 31 October 2021 which is included in the total reserves figure above. The expected timing of expenditure of donations received would be within 12 months of receipt and would be spent for the benefit of all the residents.

In October 2021 the Society received grant funding from the Hedley Foundation amounting to £3,240 which will be classified as a restricted fund for the specific purpose of providing slings and hoists within the upgraded bedrooms of the refurbished rooms project which should be spent within the next 12 months.

Trustees continue to review investment opportunities within the framework of the investment policy to maximise the income of the Society with due consideration to protecting the beneficiaries in our care.

Performance Management

The Board of Trustees have recognised that it is increasingly necessary and good practice for charities to demonstrate organisational performance in the annual reports and accounts.

The Trustees have taken the decision following recommendations by the Charity Commission and our External Auditor to continue to adopt and report upon five key performance indicators (KPIs) for the year ending 31 October 2021.

The five Key Finance Performance Indicators (KFPIs) that are being reported upon in 2020/21 are as follows:

1. Occupancy level
2. Total surplus as a percentage of total income
3. Staffing costs as a percentage of total income by home
4. Staffing costs and operational costs as a percentage of total costs
5. Net current assets position

KPIs serve as a measurable value that demonstrates how effectively an organisation is achieving its key business objectives such as performance and progress in order to help evaluate their success in reaching its strategic goals and specific targets.

The Society's results from the KFPIs in the 2020/21 financial year were as follows:

Key Performance Indicator	Birling House		Frindsbury House		Society Total (Inc. Central Costs)	
	Actual	Objective	Actual	Objective	Actual	Objective
Occupancy level	79.0%	90.3%	96.7%	91.3%	87.9%	90.8%
Surplus to Income	3.2%	16.0%	-2.9%	2.9%	-11.6%	-1.31%
Staffing costs to Income	75.7%	67.5%	85.8%	81.3%	88.3%	81.3%
Staff costs to Total Costs	78.2%	80.4%	83.4%	83.8%	79.1%	80.2%
Operational Costs to Total Costs	21.8%	19.6%	16.6%	16.2%	20.9%	19.8%
Net Current Assets	n/a	n/a	n/a	n/a	£1,399,227	n/a

STRUCTURE, GOVERNANCE AND MANAGEMENT
Constitution

The Society is a registered charity and a company limited by guarantee and as such operates under its Memorandum and Articles of Association, which have received the approval of the Charity Commission.

Method of appointment or election of Trustees

One third of the Trustees must retire at each AGM, those longest in office retiring first. A retiring Trustee who remains qualified may be reappointed. At the date of the Annual General Meeting held on 7 July 2021, two Trustees namely David Oliver and Jennifer Grimmett were eligible to retire by rotation and were reappointed and therefore all remained on the Board for at least a further year in office.

Policies adopted for the induction and training of Trustees

The Society has an appointment and induction programme for Trustees covering the work of the charity including visits to the two homes and an opportunity to meet the Chair of Trustees, the Chief Executive, Executive Management Team, staff and residents. The programme includes an explanation of the latest financial position, the current year's budget and the longer-term strategies and business plans of the Society. New Trustees are given copies of the Memorandum and Articles of Association together with a Trustee Information Pack which includes Terms of Reference, Annual Report and Financial Statement and a list of Policies and Procedures.

Pay policy for senior staff

The goal of the Charity's pay policy is to offer fair pay to attract and retain appropriately qualified staff to lead, manage, support and deliver the Charity's purpose and aims. It will always be consistent with these aims and within an affordable framework.

The Trustees are responsible for setting remuneration levels for the Charity's staff and reviewing pay for the most senior staff. These senior staff are clearly identified by the Trustees and will typically, although not always, be part of the Charity's executive or senior management team.

The Charity's Remuneration Policy follows the National Council for Voluntary Organisation's (NCVO) guidance of which the Mortimer Society is a member and/or the guidance from the Association of Chief Executives in Voluntary Organisations.

Organisational structure and decision making

The Board of Trustees discharges its responsibility of overseeing the management practice of the Society at its quarterly general and additional meetings and by delegating specific projects to sub-groups if appropriate. Society members are entitled to attend and vote at all Annual General Meetings.

In addition to the Trustees, Society members are also entitled to vote at Annual General Meetings to appoint new Trustees and accept outgoing Trustees' resignations.

The day-to-day management of the Society is delegated to the Chief Executive and to the Executive Management Team. The operational management and the running of the two homes is carried out by the Head of Care, Quality and Compliance through the Dual Location Registered Manager. Major policy questions affecting the future of the Society are discussed between the Executive Management team, the Trustees who are also Members of the Society and are responsible for making the final decisions. The Trustees who also act as Society members attend general meetings and have equal voting rights.

In November 2017 the Society adopted the principles contained in the revised Charity Good Governance Code which is a Code containing seven main principles as recommended by the Charities Commission for use by Charities in England and Wales. The Society continues to operate within these principles which have been adapted and updated in June 2021 to reflect the nature of the business within the care sector.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the Society and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks.

PLANS FOR FUTURE PERIODS

Future developments

The main aims and objectives of the Society during 2021/22 are to:

- Ensure that the Society's policies and procedures meet statutory requirements and exceed the standards and expectations of our current regulator, the Care Quality Commission (CQC).
- Remain financially viable in an adverse and turbulent economic climate affecting the care sector as a whole.
- Accomplish staff training programmes relevant to our residents' complex and individual needs in order to meet the expectations of our residents, sponsoring authorities and the CQC.
- Continue to utilise available capital to invest in prioritised projects and estate development at both Birling House and Frindsbury House as set out in the programmes agreed by the Trustees.
- Continually review the need for new initiatives to improve standards including the delivery of safe care, the catering provision and infection prevention and control to meet the diverse needs of our residents.
- Pursue new business opportunities to provide additional day and respite care placements whenever possible as an introduction opportunity into the service for possible permanent care in the future.

- Continue to review the long-term vision and business diversification strategy in client categories and models of care in line with our expertise and client base.

- Continue to enhance the Society's profile by widening our offer of care to include certain neurological conditions in addition to Huntington's disease for which the Mortimer Society is an experienced and reputable provider. This aim will be aided by the use of the Society's website, social media and continually revised marketing material.

- Further develop the newly implemented web based digital care management system for residents care plans and the recording of all daily information which meets CQC compliance standards and enable the organisation to hold electronic records to fully comply with GDPR regulations.

Major development projects

As part of the Society's estates growth and development plan, it was proposed that Frindsbury House would be extended in 2021 to serve a greater number of beneficiaries with Huntington's disease and other neurological conditions. However, due to the Covid-19 pandemic and the financial pressures being experienced across the care sector, it was decided to postpone this major project for 12 months. A review of that decision will be carried out in September 2022 to establish the financial position of the Society at that time.

The anticipated project will increase the number of residents that can be accommodated from a 23 bedded service to an optimum level of 30 rooms to achieve operational efficiency.

It is now estimated that the purpose-built extension is likely to cost in the region of £2.2m which will provide seven additional ensuite bedrooms, two extra communal bathrooms and two disabled toilets over two floors plus a large extension to the day lounge including a quieter dining area and an integrated passenger lift on the external of the building. The build will also incorporate a technologically advanced sensory suite and washing and changing facilities for staff to meet the infection prevention and control procedures specific for Covid-19 and beyond.

It is intended that it will be mainly funded from the accumulated general reserves in order to serve a greater number of beneficiaries in the future with a possible option of a short-term loan in order to maintain the level of reserves in line with the policy agreed by Trustees.
It is also anticipated that grant funding will also be forthcoming as the Society has engaged an official fund-raiser Heycroft Consulting who will undertake to complete and submit applications to both large and smaller grant funding organisations.

Additionally, there are further plans to develop part of the garden adjacent to the activity suite to become a sensory garden, with resident involvement in the designing. It is believed that the residents will enjoy participating with the choice of planting and developing the area to their preference, promoting a sense of worth and well-being along with their independence. The end result is to have a pleasant and stimulating atmosphere and environment that can be used and enjoyed by residents and their visitors.

Included within the development programme for 2020/21 was the installation of a new passenger lift at Birling House to serve the ground and first floors of the home. It will provide added benefits for existing residents as they will enable them to access different parts of the building easier and quicker and it will also act as an enhanced facility in the case of emergencies and evacuations. This major project together with the refurbishment of several bedrooms on the first floor to include ensuite facilities was started in September 2021 for a period of 20 weeks and is anticipated to be completed by the end of February 2022.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 safe guarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The Society's auditors are appointed by a Resolution of the Society's Annual General Meeting.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Approved by order of the members of the board of Trustees on 30 March 2022 and signed on their behalf by:

D. J. Oliver

Dr. D. Oliver
(Chair of Trustees)

Independent Auditors' Report to the Trustees of The Mortimer Society

Opinion

We have audited the financial statements of The Mortimer Society (the 'charity') for the year ended 31 October 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Trustees of The Mortimer Society (continued)

Matters on which we are required to report by exception

In the light of our 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 including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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.

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.

Auditors' 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 Auditors' 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and 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 set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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 minutes of meetings of Trustees; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent Auditors' Report to the Trustees of The Mortimer Society (continued)

Use of our report

This report is made solely to the Charity's trustees, 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 Charity's trustees those matters we are required to state to them in an Auditors' 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 Charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Allan Hickie BSc FCA (Senior Statutory Auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: 20 April 2022

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 October 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:					
Donations and legacies	4	951	163,135	164,086	*75,418*
Charitable activities	5	3,634,240	-	3,634,240	*4,008,904*
Other trading activities	6	1,518	-	1,518	*4,514*
Investments	7	9,943	-	9,943	*14,629*
Total income		3,646,652	163,135	3,809,787	*4,103,465*
Expenditure on:					
Raising funds	8	3,378	-	3,378	*925*
Charitable activities	9	4,166,729	159,895	4,326,624	*3,917,524*
Total expenditure		4,170,107	159,895	4,330,002	*3,918,449*
Net movement in funds		(523,455)	3,240	(520,215)	*185,016*
Reconciliation of funds:					
Total funds brought forward		5,818,917	-	5,818,917	*5,633,901*
Net movement in funds		(523,455)	3,240	(520,215)	*185,016*
Total funds carried forward		5,295,462	3,240	5,298,702	*5,818,917*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 34 form part of these financial statements.

The Mortimer Society
(A Company Limited by Guarantee)
Registered number: 01741444

Balance Sheet
As at 31 October 2021

	Note		2021 £		*2020 £*
Fixed assets					
Tangible assets	14		3,951,576		*3,972,765*
Current assets					
Debtors	15	177,292		*116,877*	
Cash at bank and in hand		1,459,229		*1,959,753*	
		1,636,521		*2,076,630*	
Creditors: amounts falling due within one year	16	(289,395)		*(230,478)*	
Net current assets			1,347,126		*1,846,152*
Total net assets			5,298,702		*5,818,917*
Charity funds					
Restricted funds	17		3,240		-
Unrestricted funds	17		5,295,462		*5,818,917*
Total funds			5,298,702		*5,818,917*

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

The financial statements were approved and authorised for issue by the Trustees on 30 March 2022 and signed on their behalf by:

Dr. D. Oliver
(Chair of Trustees)

Dr. T. J. Cantor
(Vice Chair)

The notes on pages 19 to 34 form part of these financial statements.

The Mortimer Society
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 October 2021

	Note	2021 £	*2020 £*
Cash flows from operating activities			
Net cash used in operating activities	19	(343,252)	*457,787*
Cash flows from investing activities			
Dividends, interests and rents from investments		9,943	*14,629*
Purchase of tangible fixed assets		(167,215)	*(137,481)*
Net cash used in investing activities		(157,272)	(122,852)
Change in cash and cash equivalents in the year		(500,524)	334,935
Cash and cash equivalents at the beginning of the year		1,959,753	*1,624,818*
Cash and cash equivalents at the end of the year	20	1,459,229	*1,959,753*

The notes on pages 19 to 34 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 October 2021

1. General information

The Mortimer Society is a charitable company limited by guarantee, registered in England and Wales. Its registered office is 42 Hollywood Lane, Frindsbury, Rochester, Kent, ME3 8AL.

The nature of the charity's operations, and its principal activity is to provide relief of suffering for people with physical and/or learning difficulties and/or physical and/or mental illness of any description, including people suffering from Huntington's disease.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) (second edition) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

The Mortimer Society meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The currency used in the financial statements is Pound Sterling.

2.2 Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, as there are sufficient reserves to cope with any potential shortfall in income which may occur.

The Covid-19 pandemic has affected the Society adversely, as the outbreaks in the homes have led to vacancies, which may be difficult to fill, and extra costs due to the increased needs for testing, staff illness and isolation due to the outbreak and the provision of equipment and new working practices to ensure the safety of residents, their families and staff.

Initially in the pandemic there were shortages of protective personal equipment, but this has been resolved and there has been Governmental support for these extra costs throughout the pandemic including 2021. However, the extra costs of staffing and support of visiting have not been fully met and costs have risen. The Trustees and the management team are committed to maintaining the safety of residents, families and staff and ensuring any risks are minimised, following national guidance from the CQC, Public Health England and working with other NHS and LA bodies.

These issues should lessen over 2022, as the infections due to the pandemic lessen and vaccination becomes more widespread. The income will improve as residents are admitted and the extra costs will diminish, with improvement of the overall situation.

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Provision of care services

Fees from a contract to provide care related services are recognised in the period in which the services are provided on an accruals basis. Any fees invoiced in advance are included within deferred income until the service has been provided. Fees that are invoiced in arrears are included within accrued income, based on the fixed fee rate for each individual resident. The charity's charitable activities are exempt from Value Added Tax. Income from investments and bank interest is included when receivable and the amount can be measured reliably.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively in the pursuance of charitable purposes. No tax charge has arisen in the year.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Over 50 years
Integral features (included within buildings)	- Over 15-20 years
Freehold land	- Nil
Motor vehicles	- Over 3 years
Household furniture and equipment	- Over 5 years

2.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term 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.

2.9 Liabilities and provisions

Creditors and provisions are recognised where the charity has 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 normally recognised at their settlement amount.

2.10 Financial instruments

The Charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trustees consider that there are no significant estimates or critical judgements which are likely to affect the Charity.

4. Income from donations and legacies

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	*Total funds 2020 £*
Donations	951	-	951	*3,122*
Grants	-	3,240	3,240	-
Government grants	-	159,895	159,895	*72,296*
Total 2021	951	163,135	164,086	*75,418*
2020 Total by fund	*21,427*	*53,991*	*75,418*	

During the pandemic, the central government issued grants to support residential care homes with the significant increase in operating costs particularly around personal protective equipment and in maintaining staffing levels in an attempt to maintain the safety of residents and staff. The grants have no unfilled conditions or contingencies.

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Provision of care services	3,634,240	3,634,240	*4,008,904*
2020 Total by fund	*4,008,904*	*4,008,904*	

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Fundraising	1,518	1,518	*4,514*
2020 Total by fund	*4,514*	*4,514*	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Bank deposit interest	9,943	9,943	*14,629*
2020 Total by fund	*14,629*	*14,629*	

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Fundraising	3,378	3,378	*925*
2020 Total by fund	*925*	*925*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Provision of care services	4,166,729	159,895	4,326,624	*3,917,524*
2020 Total by fund	*3,863,533*	*53,991*	*3,917,524*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Provision of care services	3,942,482	384,142	4,326,624	*3,917,524*
Analysis of 2020 Total	*3,600,644*	*316,880*	*3,917,524*	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of care services 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff costs	2,893,332	2,893,332	*2,628,904*
Depreciation	188,404	188,404	*176,135*
Staff recruitment	7,313	7,313	*5,600*
Travel and other staff costs	64,596	64,596	*71,598*
Resident costs including food and household expenses	523,833	523,833	*448,898*
Property costs	117,920	117,920	*119,889*
Insurance	31,789	31,789	*26,393*
Agency costs	114,308	114,308	*123,227*
Professional fees	900	900	-
Bad debts	87	87	-
	3,942,482	3,942,482	*3,600,644*
Total 2020	*3,600,644*	*3,600,644*	

Analysis of support costs

	Provision of care services 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff costs	281,151	281,151	*226,055*
General office costs	79,392	79,392	*63,086*
Communications	5,596	5,596	*5,297*
Professional fees	7,921	7,921	*12,163*
Bank charges	1,226	1,226	*1,170*
Governance costs	8,856	8,856	*9,109*
	384,142	384,142	*316,880*
Total 2020	*316,880*	*316,880*	

11. Auditor's remuneration

	2021 £	*2020 £*
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts (inclusive of VAT)	7,482	*7,020*

12. Staff costs

	2021 £	*2020 £*
Wages and salaries	2,929,204	*2,627,301*
Social security costs	190,363	*175,764*
Pension costs	54,916	*51,894*
	3,174,483	*2,854,959*

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	*2020 No.*
Provision of care services	127	*133*
Administration and support	14	*11*
Senior management	1	*1*
	142	*145*

The average headcount expressed as full-time equivalents was:

	2021 No.	*2020 No.*
Provision of care services	127	*107*
Administration and support	13	*10*
Senior management	1	*1*
	141	*118*

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	*2020* *No.*
In the band £60,001 - £70,000	1	-

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer and the Senior Management Team. The total aggregate amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charity was £200,996 *(2020: £208,519)*.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 October 2021, no Trustee expenses have been incurred *(2020 - £NIL)*.

14. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 November 2020	5,010,936	86,617	855,547	5,953,100
Additions	73,094	-	94,121	167,215
Disposals	-	(14,250)	-	(14,250)
At 31 October 2021	5,084,030	72,367	949,668	6,106,065
Depreciation				
At 1 November 2020	1,243,207	81,788	655,340	1,980,335
Charge for the year	103,118	4,123	81,163	188,404
On disposals	-	(14,250)	-	(14,250)
At 31 October 2021	1,346,325	71,661	736,503	2,154,489
Net book value				
At 31 October 2021	3,737,705	706	213,165	3,951,576
At 31 October 2020	*3,767,729*	*4,829*	*200,207*	*3,972,765*

Included in land and buildings is freehold land with an estimated cost of £219,000 which is not depreciated.

15. Debtors

	2021 £	*2020 £*
Due within one year		
Trade debtors	151,731	*71,169*
Other debtors	-	*9,467*
Prepayments and accrued income	25,561	*36,241*
	177,292	*116,877*

16. Creditors: Amounts falling due within one year

	2021 £	*2020 £*
Trade creditors	72,580	*67,268*
Other taxation and social security	49,578	*45,649*
Other creditors	32,288	*30,268*
Accruals and deferred income	134,949	*87,293*
	289,395	*230,478*

17. Statement of funds

Statement of funds - current year

	Balance at 1 November 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2021 £
Unrestricted funds					
Designated funds					
Birling House donations	12,167	544	(4,673)	(1,325)	6,713
Frindsbury House donations	13,757	407	(3,351)	(7,837)	2,976
Fixed assets	3,972,765	-	(187,315)	166,126	3,951,576
	3,998,689	951	(195,339)	156,964	3,961,265
General funds					
General funds	1,820,228	3,645,701	(3,974,768)	(156,964)	1,334,197
Total Unrestricted funds	5,818,917	3,646,652	(4,170,107)	-	5,295,462
Restricted funds					
Emergency claim	-	37,304	(37,304)	-	-
Workforce capacity fund	-	18,345	(18,345)	-	-
Rapid testing, IPC & vaccine fund	-	44,484	(44,484)	-	-
Hedley Foundation	-	3,240	-	-	3,240
Infection control	-	59,762	(59,762)	-	-
	-	163,135	(159,895)	-	3,240
Total of funds	5,818,917	3,809,787	(4,330,002)	-	5,298,702

17. Statement of funds (continued)

Designated funds

The Birling and Frindsbury House designated funds hold donations received at each house during the year. These individual funds will be used to fund purchases of items outside of the general operating budget of the charity and the managers and staff at each of the homes will be able to suggest ideas on how they believe this should be spent.

The designated fixed assets fund represents the net book value of tangible and intangible assets. An amount is transferred to or from the fund each year representing the movement in the net book value of tangible fixed assets at the year end.

Unrestricted funds

These are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds

The emergency claim funding was provided from local authorities, with the purpose of providing additional support in excess of the infection control grant during the Covid-19 pandemic for care homes & community care services. The funding received was spent on the prevention of the spread of Covid-19 in the charity's care homes.

The workforce capacity funding was provided by local authorities to supplement and strengthen adult social care staff capacity to ensure that safe and continuous care is achieved. The funding was spent on strengthening the care staff capacity to ensure the continuity of the care provision in the event of pressures around workforce shortages.

The rapid testing, IPC & vaccine funding was received from local authorities with the purpose of limiting the spread of the COVID-19 infection at the charity's care home. The funding was spent on equipment such as testing kits, PPE & vaccinations.

The Hedley Foundation grant was received for the purpose of installing hoists/slings as part of a project to aid care services. The grant will be used at Birling House towards the refurbishment of the rooms on the first floor and the hoists which are required as part of the project work.

The infection control funding was provided by local authorities for the purpose of limiting the spread of the COVID-19 infection at the charity's care homes. The funding was spent on ensuring that staff were paid their normal wages in the event of isolating in line with government guidance, but also limiting unnecessary staff movement between settings.

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 November 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 October 2020* £
Unrestricted funds					
Designated funds					
Birling House donations	*9,045*	*3,122*	-	-	*12,167*
Frindsbury House donations	*13,757*	-	-	-	*13,757*
Fixed assets	*4,011,419*	-	*(176,135)*	*137,481*	*3,972,765*
	4,034,221	*3,122*	*(176,135)*	*137,481*	*3,998,689*
General funds					
General funds	*1,599,680*	*4,046,352*	*(3,688,323)*	*(137,481)*	*1,820,228*
Total Unrestricted funds	*5,633,901*	*4,049,474*	*(3,864,458)*	-	*5,818,917*
Restricted funds					
Emergency claim	-	*53,991*	*(53,991)*	-	-
Total of funds	*5,633,901*	*4,103,465*	*(3,918,449)*	-	*5,818,917*

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,951,576	-	3,951,576
Current assets	1,633,281	3,240	1,636,521
Creditors due within one year	(289,395)	-	(289,395)
Total	5,295,462	3,240	5,298,702

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Total funds 2020 £*
Tangible fixed assets	*3,972,765*	*3,972,765*
Current assets	*2,076,630*	*2,076,630*
Creditors due within one year	*(230,478)*	*(230,478)*
Total	*5,818,917*	*5,818,917*

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	*2020 £*
Net income/expenditure for the year (as per Statement of Financial Activities)	(520,215)	*185,016*
Adjustments for:		
Depreciation charges	188,404	*176,135*
Dividends, interests and rents from investments	(9,943)	*(14,629)*
Decrease/(increase) in debtors	(60,415)	*53,223*
Increase in creditors	58,917	*58,042*
Net cash provided by/(used in) operating activities	(343,252)	*457,787*

20. Analysis of cash and cash equivalents

	2021	*2020*
	£	*£*
Cash in hand	1,459,229	*1,959,753*

21. Analysis of changes in net debt

	At 1 November 2020	Cash flows	At 31 October 2021
	£	£	£
Cash at bank and in hand	1,959,753	(500,524)	1,459,229
	1,959,753	(500,524)	1,459,229

22. Capital commitments

	2021	*2020*
	£	*£*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	283,632	-

The above commitments refer to the Birling House passenger lift and refurbishment of bedrooms.

23. Pension commitments

The Charity operates a defined contribution pension scheme open to all permanent employees. During the year the Charity contributed £54,916 *(2020: £51,894)* on behalf of employees who have opted into the scheme. Of these contributions £13,216 *(2020: £11,553)* remained outstanding at the balance sheet date and is included within current liabilities.

24. Operating lease commitments

At 31 October 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	*As restated 2020*
	£	*£*
Not later than 1 year	20,009	*14,478*
Later than 1 year and not later than 5 years	49,693	*11,890*
Later than 5 years	3,062	-
	72,764	*26,368*

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

There were no related party transactions identified during the year.