

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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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

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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.

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Trustees' Report (continued)
For the Year Ended 31 October 2021

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.

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Trustees' Report (continued)
For the Year Ended 31 October 2021

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.

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Trustees' Report (continued)
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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 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 carry out 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.

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Trustees' Report (continued)
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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.

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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.

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Trustees' Report (continued)
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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 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.

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Trustees' Report (continued)
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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.

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- 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.

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Trustees' Report (continued)
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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

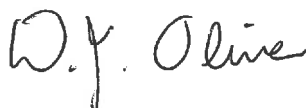
The Society's auditors are appointed by a Resolution of the Society's Annual General Meeting.

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:



Dr. D. Oliver
(Chair of Trustees)

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 '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.

The Mortimer Society
(A Company Limited by Guarantee)

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.

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

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.

The Mortimer Society
(A Company Limited by Guarantee)

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

The Mortimer Society
(A Company Limited by Guarantee)

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
		<u>1,636,521</u>	<u>2,076,630</u>
Creditors: amounts falling due within one year	16	(289,395)	(230,478)
Net current assets		<u>1,347,126</u>	<u>1,846,152</u>
Total net assets		<u><u>5,298,702</u></u>	<u><u>5,818,917</u></u>
Charity funds			
Restricted funds	17	3,240	-
Unrestricted funds	17	5,295,462	5,818,917
Total funds		<u><u>5,298,702</u></u>	<u><u>5,818,917</u></u>

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

The Mortimer Society
(A Company Limited by Guarantee)

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.

Notes to the Financial Statements
For the Year Ended 31 October 2021

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.

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

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.

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

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 £	<i>Total funds 2020 £</i>
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
<i>2020 Total by fund</i>	<i>21,427</i>	<i>53,991</i>	<i>75,418</i>	

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.

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Provision of care services	3,634,240	3,634,240	4,008,904
<i>2020 Total by fund</i>	<i>4,008,904</i>	<i>4,008,904</i>	

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Fundraising	1,518	1,518	4,514
<i>2020 Total by fund</i>	<i>4,514</i>	<i>4,514</i>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Bank deposit interest	9,943	9,943	14,629
<i>2020 Total by fund</i>	<i>14,629</i>	<i>14,629</i>	

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising	3,378	3,378	925
<i>2020 Total by fund</i>	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
<i>2020 Total by fund</i>	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
<i>Analysis of 2020 Total</i>	3,600,644	316,880	3,917,524	

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

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	-
	<u>3,942,482</u>	<u>3,942,482</u>	<u>3,600,644</u>
<i>Total 2020</i>	<u>3,600,644</u>	<u>3,600,644</u>	

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
	<u>384,142</u>	<u>384,142</u>	<u>316,880</u>
<i>Total 2020</i>	<u>316,880</u>	<u>316,880</u>	

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

11. Auditor's remuneration

	2021	<i>2020</i>
	£	£
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	<i>2020</i>
	£	£
Wages and salaries	2,929,204	2,627,301
Social security costs	190,363	175,764
Pension costs	54,916	51,894
	<u>3,174,483</u>	<u>2,854,959</u>

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

	2021	<i>2020</i>
	No.	No.
Provision of care services	127	133
Administration and support	14	11
Senior management	1	1
	<u>142</u>	<u>145</u>

The average headcount expressed as full-time equivalents was:

	2021	<i>2020</i>
	No.	No.
Provision of care services	127	107
Administration and support	13	10
Senior management	1	1
	<u>141</u>	<u>118</u>

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

12. Staff costs (continued)

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

	2021	<i>2020</i>
	No.	<i>No.</i>
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.

The Mortimer Society
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2021

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
	<u>177,292</u>	<u>116,877</u>

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
	<u>289,395</u>	<u>230,478</u>

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Notes to the Financial Statements
For the Year Ended 31 October 2021

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
	<u>3,998,689</u>	<u>951</u>	<u>(195,339)</u>	<u>156,964</u>	<u>3,961,265</u>
General funds					
General funds	<u>1,820,228</u>	<u>3,645,701</u>	<u>(3,974,768)</u>	<u>(156,964)</u>	<u>1,334,197</u>
Total Unrestricted funds	<u>5,818,917</u>	<u>3,646,652</u>	<u>(4,170,107)</u>	<u>-</u>	<u>5,295,462</u>
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)	-	-
	<u>-</u>	<u>163,135</u>	<u>(159,895)</u>	<u>-</u>	<u>3,240</u>
Total of funds	<u>5,818,917</u>	<u>3,809,787</u>	<u>(4,330,002)</u>	<u>-</u>	<u>5,298,702</u>

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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 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/slides 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.

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Notes to the Financial Statements
For the Year Ended 31 October 2021

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 November 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 October 2020 £</i>
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
	<u>4,034,221</u>	<u>3,122</u>	<u>(176,135)</u>	<u>137,481</u>	<u>3,998,689</u>
General funds					
General funds	1,599,680	4,046,352	(3,688,323)	(137,481)	1,820,228
	<u>1,599,680</u>	<u>4,046,352</u>	<u>(3,688,323)</u>	<u>(137,481)</u>	<u>1,820,228</u>
Total Unrestricted funds	<u>5,633,901</u>	<u>4,049,474</u>	<u>(3,864,458)</u>	<u>-</u>	<u>5,818,917</u>
Restricted funds					
Emergency claim	-	53,991	(53,991)	-	-
	<u>-</u>	<u>53,991</u>	<u>(53,991)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>5,633,901</u>	<u>4,103,465</u>	<u>(3,918,449)</u>	<u>-</u>	<u>5,818,917</u>

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Notes to the Financial Statements
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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

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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

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Notes to the Financial Statements
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20. Analysis of cash and cash equivalents

	2021 £	<i>2020</i> £
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 £	<i>2020</i> £
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 £	<i>As restated</i> <i>2020</i> £
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

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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.