

**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)**

---

**Contents**

---

	Page
Trustees' report	1 - 11
Independent auditors' report on the financial statements	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 33

---

**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.



**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

---

**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.

**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

---

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 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.

**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

---

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 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 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.

**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

---

**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 outcome. The Society has experienced a marginal reduction in cash reserves compared with previous financial years which means that further capital reinvestment will have to be scaled back along 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 of 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.

**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

---

**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.



**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

**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:

<b>Key Performance Indicator</b>	<b>Birling House</b>		<b>Frindsbury House</b>		<b>Society Total (Inc. Central Dept)</b>	
	<u>Actual</u>	<u>Objective</u>	<u>Actual</u>	<u>Objective</u>	<u>Actual</u>	<u>Objective</u>
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.

**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

---

**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.

**Trustees' Report (continued)**  
**For the Year Ended 31 October 2022**

---

- 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.



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

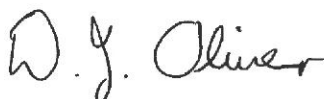
At the last AGM, UHY Hacker Young were re-appointed as auditors following a unanimous decision made by the Trustees.

**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**

---

**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 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.

---

**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.

---

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

---

**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](http://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**

	<b>Note</b>	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Income from:</b>					
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
<b>Total income</b>		<b>4,212,300</b>	<b>77,486</b>	<b>4,289,786</b>	<b>3,809,787</b>
<b>Expenditure on:</b>					
Raising funds	8	5,435	-	5,435	3,378
Charitable activities	9	4,310,298	80,726	4,391,024	4,326,624
<b>Total expenditure</b>		<b>4,315,733</b>	<b>80,726</b>	<b>4,396,459</b>	<b>4,330,002</b>
<b>Net movement in funds</b>		<b>(103,433)</b>	<b>(3,240)</b>	<b>(106,673)</b>	<b>(520,215)</b>
<b>Reconciliation of funds:</b>					
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)
<b>Total funds carried forward</b>	<b>17</b>	<b>5,192,029</b>	<b>-</b>	<b>5,192,029</b>	<b>5,298,702</b>

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.

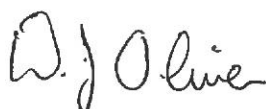
**The Mortimer Society**  
**(A Company Limited by Guarantee)**  
**Registered number: 01741444**

**Balance Sheet**  
**As at 31 October 2022**

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Fixed assets</b>			
Tangible assets	14	4,097,210	3,951,576
<b>Current assets</b>			
Debtors	15	250,923	177,292
Cash at bank and in hand		1,141,635	1,459,229
		<u>1,392,558</u>	<u>1,636,521</u>
Creditors: amounts falling due within one year	16	(297,739)	(289,395)
<b>Net current assets</b>		<u>1,094,819</u>	<u>1,347,126</u>
<b>Total net assets</b>		<u><u>5,192,029</u></u>	<u><u>5,298,702</u></u>
<b>Charity funds</b>			
Restricted funds	17	-	3,240
Unrestricted funds	17	5,192,029	5,295,462
<b>Total funds</b>		<u><u>5,192,029</u></u>	<u><u>5,298,702</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 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**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	16,448	(343,252)
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		9,540	9,943
Purchase of tangible fixed assets		(343,582)	(167,215)
<b>Net cash used in investing activities</b>		(334,042)	(157,272)
<b>Change in cash and cash equivalents in the year</b>		(317,594)	(500,524)
Cash and cash equivalents at the beginning of the year		1,459,229	1,959,753
<b>Cash and cash equivalents at the end of the year</b>	20	1,141,635	1,459,229

The notes on pages 18 to 33 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 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.



---

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

---

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

---

**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 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

---

**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.

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**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**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
<b>Donations</b>				
Donations	7,350	-	7,350	951
Donated goods	14,431	-	14,431	-
<b>Total Donations</b>	<b>21,781</b>	<b>-</b>	<b>21,781</b>	<b>951</b>
Grants	-	18,795	18,795	3,240
Government grants	-	58,691	58,691	159,895
<b>Subtotal</b>	<b>-</b>	<b>77,486</b>	<b>77,486</b>	<b>163,135</b>
<b>Total 2022</b>	<b>21,781</b>	<b>77,486</b>	<b>99,267</b>	<b>164,086</b>
<i>Total 2021</i>	<i>951</i>	<i>163,135</i>	<i>164,086</i>	

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**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
<i>Total 2021</i>	<i>3,634,240</i>	<i>3,634,240</i>	

**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
<i>Total 2021</i>	<i>1,518</i>	<i>1,518</i>	

**7. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank deposit interest	9,540	9,540	9,943
<i>Total 2021</i>	<i>9,943</i>	<i>9,943</i>	

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**8. Expenditure on raising funds**

**Fundraising trading expenses**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Fundraising	5,435	5,435	3,378
<i>Total 2021</i>	3,378	3,378	

**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Provision of care services	4,310,298	80,726	4,391,024	4,326,624
<i>Total 2021</i>	4,166,729	159,895	4,326,624	

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Provision of care services	4,022,046	368,978	4,391,024	4,326,624
<i>Total 2021</i>	3,942,482	384,142	4,326,624	

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Provision of care services 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
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
	<u>4,022,046</u>	<u>4,022,046</u>	<u>3,942,482</u>
<i>Total 2021</i>	<u>3,942,482</u>	<u>3,942,482</u>	

**Analysis of support costs**

	<b>Provision of care services 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
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
	<u>368,978</u>	<u>368,978</u>	<u>384,142</u>
<i>Total 2021</i>	<u>384,142</u>	<u>384,142</u>	

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**11. Auditor's remuneration**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
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**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Wages and salaries	2,882,776	2,929,204
Social security costs	196,527	190,363
Pension costs	60,364	54,916
	<u>3,139,667</u>	<u>3,174,483</u>

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<b>No.</b>
Provision of care services	128	127
Administration and support	15	14
Senior management	1	1
	<u>144</u>	<u>142</u>

The average headcount expressed as full-time equivalents was:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<b>No.</b>
Provision of care services	124	127
Administration and support	13	13
Senior management	1	1
	<u>138</u>	<u>141</u>

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**12. Staff costs (continued)**

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
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**

	<b>Freehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
At 31 October 2022	3,925,677	-	171,533	4,097,210
<i>At 31 October 2021</i>	<i>3,737,705</i>	<i>706</i>	<i>213,165</i>	<i>3,951,576</i>

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 2022**

**15. Debtors**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	229,589	151,731
Other debtors	127	-
Prepayments and accrued income	21,207	25,561
	<u>250,923</u>	<u>177,292</u>

**16. Creditors: Amounts falling due within one year**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
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
	<u>297,739</u>	<u>289,395</u>

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Deferred income at 1 November	26,631	-
Resources deferred during the year	30,289	26,631
Amounts released from previous periods	(26,631)	-
	<u>30,289</u>	<u>26,631</u>

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.

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**17. Statement of funds**

**Statement of funds - current year**

	<b>Balance at 1 November 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 October 2022 £</b>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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
	<u>3,961,265</u>	<u>11,905</u>	<u>(198,171)</u>	<u>344,953</u>	<u>4,119,952</u>
<b>General funds</b>					
General Funds - all funds	<u>1,334,197</u>	<u>4,185,964</u>	<u>(4,103,131)</u>	<u>(344,953)</u>	<u>1,072,077</u>
<b>Total Unrestricted funds</b>	<u>5,295,462</u>	<u>4,197,869</u>	<u>(4,301,302)</u>	<u>-</u>	<u>5,192,029</u>
<b>Restricted funds</b>					
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)	-	-
	<u>3,240</u>	<u>77,486</u>	<u>(80,726)</u>	<u>-</u>	<u>-</u>
<b>Total of funds</b>	<u>5,298,702</u>	<u>4,275,355</u>	<u>(4,382,028)</u>	<u>-</u>	<u>5,192,029</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

---

**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.

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.

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**17. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 November 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 October 2021 £</i>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
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>
<b>General funds</b>					
General funds	1,820,228	3,645,701	(3,974,768)	(156,964)	1,334,197
	<u>1,820,228</u>	<u>3,645,701</u>	<u>(3,974,768)</u>	<u>(156,964)</u>	<u>1,334,197</u>
<b>Total Unrestricted funds</b>	<u>5,818,917</u>	<u>3,646,652</u>	<u>(4,170,107)</u>	<u>-</u>	<u>5,295,462</u>
<b>Restricted funds</b>					
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>
<b>Total of funds</b>	<u>5,818,917</u>	<u>3,809,787</u>	<u>(4,330,002)</u>	<u>-</u>	<u>5,298,702</u>

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
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)
<b>Total</b>	<b>5,192,029</b>	<b>5,192,029</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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)
<b>Total</b>	<b>5,295,462</b>	<b>3,240</b>	<b>5,298,702</b>

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

	<b>2022 £</b>	<b>2021 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	(106,673)	(520,215)
<b>Adjustments for:</b>		
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
<b>Net cash provided by/(used in) operating activities</b>	<b>16,448</b>	<b>(343,252)</b>

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

**20. Analysis of cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Cash in hand	1,141,635	1,459,229
<b>Total cash and cash equivalents</b>	<b>1,141,635</b>	<b>1,459,229</b>

**21. Analysis of changes in net debt**

	<b>At 1 November 2021</b>	<b>Cash flows</b>	<b>At 31 October 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,459,229	(317,594)	1,141,635
	<b>1,459,229</b>	<b>(317,594)</b>	<b>1,141,635</b>

**22. Capital commitments**

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
<b>Contracted for but not provided in these financial statements</b>		
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.

---

**The Mortimer Society**  
**(A Company Limited by Guarantee)**

---

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2022**

---

**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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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
	<u>58,922</u>	<u>73,606</u>

**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.

