

Registered number: 01741444
Charity number: 287579

The Mortimer Society
(A Company Limited by Guarantee)

Trustees' Report and Financial Statements
For the Year Ended 31 October 2023

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 2023

Trustees

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

Company registered number
01741444

Charity registered number
287579

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

Chief Executive Officer

Mr Paul Studd

Executive Management Team

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

Independent auditor

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

Bankers

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

Solicitors

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

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**Trustees' Report (continued)
For the Year Ended 31 October 2023**

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

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

Strategies for achieving objectives

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

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

Activities for achieving objectives

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

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

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**Trustees' Report (continued)
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Involvement of Volunteers

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

Advocacy

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

Mandatory and Specialised Training

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Activities and achievements during the year

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

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

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

Staff

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

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**Trustees' Report (continued)
For the Year Ended 31 October 2023**

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

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

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

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

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

Staff Training

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

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

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

Occupancy levels

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

Capital Reinvestment - Fabric and equipment

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

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

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

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

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

Care Quality Commission

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

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

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

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

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Trustees' Report (continued)
For the Year Ended 31 October 2023

FINANCIAL REVIEW

Financial risk management objectives and policies

The Society produced another, but expected, deficit of £13,041 for the year ended 31 October 2023 following disappointing results in the prior two years from charitable activities. Compared with the previous year, the total income increased by £465,054 from the previous year and the expenditure increased by £371,422. This out-turn includes monies from fundraising for specific projects. Thus, although the Society has experienced a marginal increase in cash reserves compared with previous financial years in the accounts, the true position is a reduction in the reserves of £183,897 as demonstrated by the table below. Further capital reinvestment will have to be carefully monitored together with detailed reviews of the fee income and expenditure levels. However, there are still sufficient reserves to allow the Society to remain viable in the coming years.

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

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

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

Going Concern

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

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

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Various reasons for the decrease include:

1. Although fee income levels for new admissions have improved over the financial year and occupancy levels have remained good throughout the year, fees for legacy residents have not kept pace with inflation due to the extreme cost-of-living crisis during 2023.
2. Staffing levels and turnover have remained difficult because of the recruitment and retention problems facing the care sector generally and as a result the staffing expenditure significantly increased with the required use of agency staff to fill vacancies and the high increase of 9% for the National Living Wage. A Cost-of-Living bonus was also paid to staff over the winter months.

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

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

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

Donations

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

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

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

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

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Trustees' Report (continued)
For the Year Ended 31 October 2023

Fundraising

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

Principal risks and uncertainties

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

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

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

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

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

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

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

Reserves policy

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

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

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

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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 2023.

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Method of appointment or election of Trustees

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

Policies adopted for the induction and training of Trustees

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

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

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

Pay policy for senior staff

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

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

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

Organisational structure and decision making

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

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

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

Risk management

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

PLANS FOR FUTURE PERIODS

Future developments

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

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

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Trustees' Report (continued)
For the Year Ended 31 October 2023

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

Major development projects

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safe guarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Trustees' Report (continued)
For the Year Ended 31 October 2023**

AUDITOR

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

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

Disclosure of information to auditor

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

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

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

DocuSigned by:
David Oliver
488856D859AF49A...

Dr D J Oliver, Chair

Date: 27 March 2024

DocuSigned by:
Keith Lagden
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Mr K Lagden, Vice 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 'society') for the year ended 31 October 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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.

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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable Society's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Society's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Society and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

UHY Kent LLP

Tracey Moore BFP ACA (Senior Statutory Auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 28 March 2024

The Mortimer Society
(A Company Limited by Guarantee)

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

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

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

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

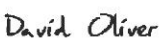
The Mortimer Society
(A Company Limited by Guarantee)
Registered number: 01741444

Balance Sheet
As at 31 October 2023

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

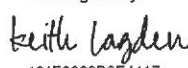
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

DocuSigned by:

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Dr. D. Oliver
(Chair of Trustees)

Date: 27 March 2024

DocuSigned by:

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Mr. K. Lagden
(Vice Chair)

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

The Mortimer Society
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 October 2023

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

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

The Mortimer Society
(A Company Limited by Guarantee)

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

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The currency used in the financial statements is Pound Sterling.

2.2 Going concern

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

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

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

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

The Mortimer Society
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

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

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

Provision of care services

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

The Mortimer Society
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

2.5 Taxation

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

2.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.7 Debtors

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

The Mortimer Society
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.8 Cash at bank and in hand

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

2.9 Liabilities and provisions

Creditors and provisions are recognised where the charity has an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

2.10 Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

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

2.12 Pensions

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

2.13 Fund accounting

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

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

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

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The Mortimer Society
(A Company Limited by Guarantee)

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

4. Income from donations and legacies

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

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Provision of care services	4,496,371	4,496,371	4,176,162
Total 2022	4,176,162	4,176,162	

The Mortimer Society
(A Company Limited by Guarantee)

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

6. Income from other trading activities

Income from fundraising events

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

7. Investment income

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

The Mortimer Society
(A Company Limited by Guarantee)

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

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fundraising	18,950	18,950	5,435
<i>Total 2022</i>	<i>5,435</i>	<i>5,435</i>	

9. Analysis of expenditure on charitable activities

Summary by fund type

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

10. Analysis of expenditure by activities

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

The Mortimer Society
(A Company Limited by Guarantee)

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

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

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

Analysis of support costs

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

The Mortimer Society
(A Company Limited by Guarantee)

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

11. Auditor's remuneration

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

12. Staff costs

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

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

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

The average headcount expressed as full-time equivalents was:

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

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Notes to the Financial Statements
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12. Staff costs (continued)

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

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

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

13. Trustees' remuneration and expenses

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

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

14. Tangible fixed assets

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

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

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

15. Debtors

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

16. Creditors: Amounts falling due within one year

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

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

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Notes to the Financial Statements
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17. Statement of funds

Statement of funds - current year

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

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

17. Statement of funds (continued)

Designated funds

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

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

Unrestricted funds

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

Restricted funds

The Sir James Roll Charitable Trust

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

Screwfix Foundation

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

Cantiacorum Foundation

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

The Iron Bridge Trust

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

Percy Bilton Charity

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

The Bernaud Sunley Foundation

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

The Garfield Weston Foundation

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

The Albert Gubay Charitable Foundation

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

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Notes to the Financial Statements
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17. Statement of funds (continued)

Statement of funds - prior year

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

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

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

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

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

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

21. Analysis of changes in net debt

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

22. Capital commitments

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

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

23. Pension commitments

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

24. Operating lease commitments

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

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

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

25. Members' liability

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

26. Related party transactions

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

