

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 2019

The Mortimer Society
(A company limited by guarantee)

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THE MORTIMER SOCIETY

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2019**

Trustees

Mrs J M Westwood OBE, Chair
Dr T J Cantor, Vice Chair
Mrs J Grimmett
Dr D Oliver
Mr J D Miller (resigned 27 March 2019)
Mr K Lagden (appointed 19 December 2018)
Mrs V Lepadden (appointed 27 March 2019)
Mr P Ball (appointed 26 June 2019)

Company registered number

01741444

Charity registered number

287579

Registered office

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

Chief Executive Officer

Mr Paul Studd

Senior management team

Mrs Susan Matthews, Head of Business and Corporate Affairs
Mrs Elaine Runeckles, Head of Care, Quality & Compliance
Ms Leanne Stockwell, Frindsbury House Home Manager (until 7 January 2019)
Mrs Tracey Edwards, Frindsbury House Registered Manager (from 1 March 2019)
Ms Hannah Wilson, Birling House Registered Manager

Independent auditor

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

THE MORTIMER SOCIETY

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 OCTOBER 2019

The Trustees present their annual report together with the audited financial statements of the charitable company for the period 1 November 2018 to 31 October 2019. 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 Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

Strategies for achieving objectives

The objectives are achieved through the provision of long term residential care for adults across two residential homes owned by the charity, Birling and Frindsbury House. One of the homes is in West Kent and the other in Medway but both welcome clients from all over the country. The majority of our residents are sponsored by their Local Authority Social Services or by their NHS Clinical Commissioning Group. Prior to admission to either of our homes, a full assessment of a prospective resident is carried out with the help of relatives and the social care case manager and other social care professionals to ensure that we can provide the correct 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 Activities Team
- Well-equipped Activity Suites including the provision of facilities such as family accommodation, TV, hair dressing salon, PC and Tablet with internet access and an interactive table game at one home
- 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, aroma therapy and chiropody
- Speech and language therapy
- Multi-sensory rooms
- Programmes for Activities of Daily Living
- Residents, Family and Carers assemblies and social events

Involvement of Volunteers

Volunteers from local schools and colleges regularly 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.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

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.

Mandatory and Specialised Training

Staff training is carried out regularly and includes: Fire Safety, Health and Safety, Safeguarding of Vulnerable Adults, Infection Control, Moving and Handling, Mental Capacity Act 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, 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 to social care staff 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

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.

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 the opportunity to explore the working practices and environments at both of our homes.

Activities and achievements during the year

A significant amount of reinvestment into the business from reserves was made in 2018/19 as identified in our Capital Programme. The annual capital budget was agreed but limited by Trustees to approximately £100,000 due to the uncertain economic times and the austerity measures imposed by Central and Local Government in the care sector generally. The capital programme also included development and an upgrade to the Society's website at an additional cost of £8,500 to enhance the content thereby expanding the reputation of the Society to capitalise on marketing opportunities. Other investment included the purchase of replacement equipment for residents at both homes as well as in general, buildings repairs and maintenance across the Society which meant that the capital expenditure in 2018/19 amounted to almost £120,000 but this was within the capital budget that was set for the financial year.

Occupancy levels

The Society's financial performance depends on overall room occupancy and the level of weekly fees paid on behalf of our residents by the local authorities and the NHS Clinical Commissioning Groups (CCGs). The Charity is registered with the Care Quality Commission for 31 rooms at Birling House (31 residents) and 23 rooms (23 residents) at Frindsbury House. In 2018/19, the Society achieved an overall average occupancy rate of 92.5% with Birling House achieving an occupancy level of 90.3% and Frindsbury House achieving 95.6%. The occupancy levels within the residential care sector reflect the quality of care provided and the value for money delivered as a charitable organisation. However, the occupancy levels had reduced from the previous year impacting on the income received.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

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 visit by CQC has yet been undertaken at the end of this financial year.

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 areas having received a 'Requires Improvement' a year earlier. The overall rating for the home was given as GOOD by the CQC.

During that year between inspections, a robust and comprehensive action plan to address the areas not meeting the required standards at that time was endorsed by the Board of Trustees and put into place which achieved and reinstated the rating of GOOD for the service being provided by the home. A follow up inspection by CQC at Frindsbury House is due later this year.

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 each of the 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. Our staff turnover is considerably lower than the sector generally which we know enhances the consistent care that we give to our residents.

High importance is placed on the personal and professional development of staff which encourages initiative and innovation. The induction programme for all staff reflects the Society's principles, aims and values through which they are encouraged to contribute to the future planning and development of the service.

Staff also 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 enjoy.

FINANCIAL REVIEW

Going Concern

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

Financial risk management objectives and policies

The Society's produced a disappointing outturn deficit for the first time in the 2018/19 financial year of £64,322 from operational charitable activities. In commercial terms this deficit would be regarded as an insignificant figure as would any modest surplus be considered as a negligible return on capital employed but however, the Society has been able to look positively into the future and made some significant capital reinvestment into the business. Although the total income marginally reduced by £7,500 from the previous year, the expenditure increased by £186,281 which adversely affected the overall financial position of the Society significantly compared with last year's outturn. It is pertinent to note that staffing costs accounted for 71p out of every £1 of fee income. The majority of our residents require a very high level of specialised individual care and it is necessary to have high staffing levels and highly trained and experienced staff to deliver this unique but person centred service which maintains the professionalism and reputation of the Society's charitable purpose.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

Financial risk management objectives and policies (continued)

As a result of the occupancy levels that the Society have achieved in 2018/19, our finances are currently sound but like most care homes we continually face significant rising costs. In contrast, the level of our fee income per resident per week did not keep pace with inflation. During 2018/19 a small number of sponsoring authorities/CCGs awarded an inflationary increase in weekly fees to recognise the ongoing and increasing cost of the National Living Wage on the 1st April each year and the rising pension contributions. The fee increases were generally below the rate of inflation despite ongoing increased costs, whereas the remaining authorities offered no increase at all or were actively seeking to reduce fee levels due to budget constraints. While it is appreciated this situation has arisen as a result of local government budget restrictions imposed by central government, it is not a situation that can prevail in the long term without impacting on the services we can provide. We have little control over many of the fixed and variable costs. For instance food and drink, utilities, repairs and maintenance costs and equipment service agreements have all been subject to a substantial increase in price in excess of the general level of inflation. At the same time the ever increasing regulation of the care sector brings year on year additional costs which have to be borne.

As a charity we strive to deliver high quality, cost effective care at a fair price. However, our income must at least meet our expenditure and allow us to continue to invest for the future. We 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 levels. They 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 to at least the year 2020 together with rising pension contribution costs.

Donations

During the financial year, we received £3,922 in donations from various sources including donations made by families and friends of our residents.

The Society also received a small sum of £1,404 from fundraising income as a result of staff and families arranging bazaars and other social activities and events for the benefit of the residents.

Principal risks and uncertainties

There are of course risks and uncertainties that may impact on the Society's business in the future.

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

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

The Trustees consider the greatest risk at present to be that of a continued freeze or even reduction in fees paid by local authorities linked with the significant year on year increases in the National Living Wage through to the year 2020 together with the increasing level of pension contributions.

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

Risks also include a possible shortfall in CQC required outcomes within the service provision and the consequent loss of full compliance which could be a resulting factor. The Society operates a clinical audit and performance management process to rectify any possible failure in standards. Changes in the political or social climate, a further economic downturn or the impact of Brexit could also significantly affect the operation of the Charity's business.

Recruitment of appropriate staff continues to be of concern in this uncertain climate that results in higher costs due to the use of agency provision.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

Reserves policy

The total reserves at the end of the financial year amounted to £5,633,901 which included the designated fixed asset fund of £4,011,419 however this fund can only be realised on the disposal of the assets.

At the end of 2018/19 the Society's free reserves stood at £1,622,482 compared with £1,619,171 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 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 of circa £750k.

During the year small values of donations were received from families and friends of our residents at both Birling House and Frindsbury House. The total value of the designated funds set up to receive such donations were £22,802 at 31 October 2019 which is included in the total reserves figure above. The expected timing of expenditure of donations received would be within 12 months of receipt, for the benefit of all the residents.

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

Performance Management

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

The Trustees have taken the decision following recommendations by the Charity Commission and the Chief External Auditor to adopt and report upon five key performance indicators (KPIs) for the year ending 31st October 2019.

The five Key Finance Performance Indicators (KFPIs) that are being reported upon in 2018/19 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 2018/19 financial year were as follows:

Key Performance Indicator	Birling House		Frindsbury House		Society Total (Inc. Central Costs)	
	Actual	Budget	Actual	Budget	Actual	Budget
Occupancy level	90.9%	90.3%	93.5%	91.3%	92.0%	90.7%
Surplus to Income	17.5%	16.3%	-0.24%	0.04%	-0.50%	-0.12%
Staffing costs to Income	67.3%	69.2%	82.8%	77.8%	80.4%	79.7%
Staff costs to Total Costs	81.7%	82.7%	82.6%	81.4%	80.0%	79.6%
Ops Costs to Total Costs	18.3%	17.3%	17.4%	18.6%	20.0%	20.4%
Net Current Assets	n/a	n/a	n/a	n/a	£1,622,482	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.

THE MORTIMER SOCIETY

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

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. Mrs Jacqueline Westwood and Dr Timothy Cantor retired by rotation and being eligible, offered themselves for re-election and were re-appointed.

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

Pay policy for senior staff

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

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

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

Organisational structure and decision making

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

In addition to the Trustees, Society members are also entitled to vote at Annual General Meetings to appoint new Trustees and accept outgoing Trustees' resignations.

The day to day management of the Society is delegated to the Chief Executive and to the Senior Management Team. The operational management and the running of the two homes is carried out by the Head of Care, Quality and Compliance through the Registered Managers. Major policy questions affecting the future of the Society are discussed between the management team, the Trustees and the members who are responsible for making the final decisions. Trustees and Society members who attend general meetings have equal voting rights.

In November 2017 the Society adopted the principles contained in the revised Charity Good Governance Code which is a Code containing 7 main principles as recommended by the Charities Commission for use by Charities in England and Wales.

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 company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

PLANS FOR FUTURE PERIODS

Future developments

The main aims and objectives of the Society during 2019/20 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 economic climate in the care sector.
- 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.
- Continual review of new initiatives introduced in 2018/19 to improve standards including the catering provision to suit the diverse needs of our residents' and the computerised online E-Mar medication system.
- 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 will be aided by the newly designed website and marketing material which was launched in early 2019.

Major development projects

As part of the Society's estates growth and development plan, it is proposed that Frindsbury House will be extended in 2020 to serve a greater number of beneficiaries with Huntington's disease and other neurological conditions.

The project will increase the number of residents that can be accommodated from a 23 bedded service to an optimum level of 30 rooms to achieve operational efficiency.

It is estimated that the purpose built extension is likely to cost in the region of £1m which will provide seven additional ensuite bedrooms, two extra communal bathrooms and two disabled toilets over two floors plus a large extension to the day lounge including a quieter dining area and an integrated passenger lift on the external of the building. It is intended that it will be mainly funded from the accumulated general reserves in order to serve a greater number of beneficiaries in the future.

There are also plans in place to refurbish and re-equip and brighten the sensory room at Frindsbury House to create a multi-sensory environment for our residents. Additionally there are further plans to develop part of the garden adjacent to the activity suite to become a sensory garden and to get as many residents involved with designing this area.

It is believed that the residents will enjoy participating with the choice of planting and developing the area to their preference, promoting a sense of worth and well-being along with their independence. The end result is to have a pleasant and stimulating atmosphere and environment that can be used and enjoyed by residents and their visitors.

Included within the development programme for 2019/20 is the installation of a new passenger lift at Birling House to serve the ground and first floors of the home. It will provide added benefits for existing residents as they will enable them to access different parts of the building easier and quicker and it will also act as an enhanced facility in the case of emergencies and evacuations.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

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 appointed as auditors after a competitive tendering process.

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 25 March 2020 and signed on their behalf by:

Mrs J M Westwood OBE, Chair

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Independent Auditors' Report to the Trustees of The Mortimer Society

Opinion

We have audited the financial statements of The Mortimer Society (the 'charity') for the year ended 31 October 2019 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Other matters

The financial statements for the year ended 31 October 2018 were audited by the predecessor auditor, MHA MacIntyre Hudson. The audit report was issued on 8 April 2019 and expressed an unqualified opinion on the financial statements.

Use of our report

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



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

28 April 2020

The Mortimer Society
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 October 2019

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:				
Donations and legacies	4	3,922	3,922	21,435
Charitable activities	5	3,701,349	3,701,349	3,694,155
Other trading activities	6	1,404	1,404	1,934
Investments	7	15,035	15,035	11,687
		<u>3,721,710</u>	<u>3,721,710</u>	<u>3,729,211</u>
Expenditure on:				
Raising funds	8	2,320	2,320	1,414
Charitable activities	9	3,783,712	3,783,712	3,598,337
		<u>3,786,032</u>	<u>3,786,032</u>	<u>3,599,751</u>
		<u>(64,322)</u>	<u>(64,322)</u>	<u>129,460</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		5,698,223	5,698,223	5,568,763
Net movement in funds		(64,322)	(64,322)	129,460
		<u>5,633,901</u>	<u>5,633,901</u>	<u>5,698,223</u>
Total funds carried forward				

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

The notes on pages 15 to 28 form part of these financial statements.

The Mortimer Society
(A company limited by guarantee)
Registered number: 01741444

Balance Sheet
As at 31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	4,011,419	4,079,052
		<u>4,011,419</u>	<u>4,079,052</u>
Current assets			
Debtors	16	170,100	348,129
Cash at bank and in hand		1,624,818	1,493,751
		<u>1,794,918</u>	<u>1,841,880</u>
Creditors: amounts falling due within one year	17	(172,436)	(222,709)
Net current assets		<u>1,622,482</u>	<u>1,619,171</u>
Total assets less current liabilities		<u>5,633,901</u>	<u>5,698,223</u>
Total net assets		<u><u>5,633,901</u></u>	<u><u>5,698,223</u></u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	5,633,901	5,698,223
Total funds		<u><u>5,633,901</u></u>	<u><u>5,698,223</u></u>

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

The financial statements were approved and authorised for issue by the Trustees on 25 March 2020 and signed on their behalf by:

Mrs J M Westwood OBE (Chair)

Dr. T. J. Cantor (Vice Chair)

The notes on pages 15 to 28 form part of these financial statements.

The Mortimer Society
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 October 2019

	2019	<i>2018</i>
	£	£
Cash flows from operating activities		
Net cash used in operating activities	256,273	159,363
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	15,035	11,687
Proceeds from the sale of tangible fixed assets	12,545	-
Purchase of tangible fixed assets	(119,777)	(133,020)
	<hr/>	<hr/>
Net cash used in investing activities	(92,197)	(121,333)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	164,076	38,030
Cash and cash equivalents at the beginning of the year	1,460,742	1,422,712
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,624,818	1,460,742
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 28 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 2019

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) - 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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

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.

Donated services or facilities 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. In accordance with the Charities SORP (FRS102), general volunteer time is not recognised, more information about their contribution is provided in the Trustees' report.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

Notes to the Financial Statements
For the Year Ended 31 October 2019

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised in the period in which a liability is incurred. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

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 and events.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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.

All costs are allocated on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in note 10.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 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.

2.7 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

Notes to the Financial Statements
For the Year Ended 31 October 2019

2. Accounting policies (continued)

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

2.11 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.

2.12 Operating leases

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

2.13 Pensions

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

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the 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.

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.

In the view of the Trustees, there have been no significant assumptions concerning the future, or estimation uncertainties that would affect assets and liabilities at the balance sheet date, that would likely to result in a material adjustment to their carrying amounts in the next financial year.

The Mortimer Society
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2019

4. Income from donations and legacies

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	3,922	3,922	21,435
	<u>3,922</u>	<u>3,922</u>	
<i>2018 Total by fund</i>	<u>21,435</u>	<u>21,435</u>	

5. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Provision of care services	3,701,349	3,701,349	3,694,155
	<u>3,701,349</u>	<u>3,701,349</u>	

In 2018 the total income from charitable activities was unrestricted.

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Fundraising	1,404	1,404	1,934
	<u>1,404</u>	<u>1,404</u>	

In 2018 the total income from fundraising events was unrestricted.

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank deposit interest	15,035	15,035	11,687
	<u>15,035</u>	<u>15,035</u>	

In 2018 the total income from investments was unrestricted.

The Mortimer Society
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Notes to the Financial Statements
For the Year Ended 31 October 2019

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Costs of fundraising	2,320	2,320	1,414

In 2018 the total expenditure on fundraising was unrestricted.

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Provision of care services	3,783,712	3,783,712	3,598,337

In 2018 total expenditure on charitable activities was unrestricted.

10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Provision of care services	3,471,602	312,110	3,783,712	3,598,337
<i>Analysis of 2018 total</i>	<i>3,298,889</i>	<i>299,448</i>	<i>3,598,337</i>	

Analysis of direct costs

The Mortimer Society
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Notes to the Financial Statements
For the Year Ended 31 October 2019

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	2,434,951	2,325,412
Staff recruitment	4,995	4,480
Travel and other staff costs	62,952	64,179
Resident costs including food and household expenses	385,998	384,045
Property costs	99,049	98,893
Insurance	20,513	19,202
Agency costs	288,979	240,870
Depreciation	174,165	161,808
	<hr/> 3,471,602 <hr/> <hr/>	<hr/> <i>3,298,889</i> <hr/> <hr/>

The Mortimer Society
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2019

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	220,491	199,216
General office costs	67,111	64,450
Communications	4,427	10,036
Professional fees	10,292	14,051
Bank charges	1,296	1,363
Governance costs	8,493	10,332
	<u>312,110</u>	<u>299,448</u>

11. Auditor's remuneration

	2019 £	<i>2018 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts (inclusive of VAT)	7,020	9,820
	<u>7,020</u>	<u>9,820</u>

12. Net income/ (expenditure)

This is stated after charging:

	2019 £	<i>2018 £</i>
Depreciation of tangible fixed assets owned by the charity	174,165	161,808
Amortisation of intangible fixed assets	-	-
Operating lease rentals	11,075	8,268
	<u>185,240</u>	<u>170,076</u>

The Mortimer Society
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Notes to the Financial Statements
For the Year Ended 31 October 2019

13. Staff costs

	2019	<i>2018</i>
	£	£
Wages and salaries	2,440,446	2,318,325
Social security costs	156,345	162,879
Pension costs	58,651	43,424
	<u>2,655,442</u>	<u>2,524,628</u>

During the year, total termination payments made by the charity amounted to £10,377 in respect of compensation for loss of office. The accounting policy for redundancy and termination payments can be found at Note 2.4 of the financial statements. The termination payments in the year were covered by the Charity's insurance policy.

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

	2019	<i>2018</i>
	No.	No.
Provision of care services	129	126
Administration and support	6	4
Senior management	1	1
	<u>136</u>	<u>131</u>

The average headcount expressed as full-time equivalents was:

	2019	<i>2018</i>
	No.	No.
Provision of care services	108	116
Administration and support	5	4
Senior management	1	1
	<u>114</u>	<u>121</u>

No employee received total employee benefits (excluding employer pension contributions) amounting to more than £60,000 in either year.

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 pension contributions) received by key management personnel for their services to the charity was £203,846 (2018: £203,885).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 October 2019, no Trustee expenses have been incurred (2018 - £NIL).

The Mortimer Society
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2019

15. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 November 2018	4,962,026	89,622	672,939	5,724,587
Additions	29,842	25,740	64,195	119,777
Disposals	-	(28,745)	-	(28,745)
At 31 October 2019	<u>4,991,868</u>	<u>86,617</u>	<u>737,134</u>	<u>5,815,619</u>
Depreciation				
At 1 November 2018	1,038,545	82,980	524,010	1,645,535
Charge for the year	102,158	8,614	63,393	174,165
On disposals	-	(15,500)	-	(15,500)
At 31 October 2019	<u>1,140,703</u>	<u>76,094</u>	<u>587,403</u>	<u>1,804,200</u>
Net book value				
At 31 October 2019	<u>3,851,165</u>	<u>10,523</u>	<u>149,731</u>	<u>4,011,419</u>
<i>At 31 October 2018</i>	<u>3,923,481</u>	<u>6,642</u>	<u>148,929</u>	<u>4,079,052</u>

Included in land and buildings is freehold land with an estimated cost of £219,000 which is not depreciated.

16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	136,228	264,757
Other debtors	729	1,067
Prepayments and accrued income	33,143	82,305
	<u>170,100</u>	<u>348,129</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	-	33,009
Trade creditors	43,093	49,179

The Mortimer Society
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Notes to the Financial Statements
For the Year Ended 31 October 2019

17. Creditors: Amounts falling due within one year (continued)

	2019	<i>2018</i>
	£	£
Other taxation and social security	37,398	<i>29,294</i>
Pension fund loan payable	11,168	<i>7,564</i>
Other creditors	5,027	<i>8,798</i>
Accruals and deferred income	75,750	<i>94,865</i>
	<u>172,436</u>	<u><i>222,709</i></u>
	<u><u>172,436</u></u>	<u><u><i>222,709</i></u></u>
	2019	<i>2018</i>
	£	£
Deferred income at 1 November 2018	6,247	<i>17,400</i>
Resources deferred during the year	-	<i>6,247</i>
Amounts released from previous periods	(6,247)	<i>(17,400)</i>
	<u>-</u>	<u><i>6,247</i></u>
	<u><u>-</u></u>	<u><u><i>6,247</i></u></u>

Deferred income is in respect of fees received in advance.

The Mortimer Society
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2019

18. Statement of funds

Statement of funds - current year

	Balance at 1 November 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2019 £
Unrestricted funds					
Designated funds					
Birling House Donations	11,078	1,671	(3,704)	-	9,045
Frindsbury House Donations	12,357	2,251	(851)	-	13,757
Fixed Assets Fund	4,079,052	-	(174,165)	106,532	4,011,419
	<u>4,102,487</u>	<u>3,922</u>	<u>(178,720)</u>	<u>106,532</u>	<u>4,034,221</u>
General funds					
Unrestricted general fund	1,595,736	3,717,788	(3,607,312)	(106,532)	1,599,680
	<u>1,595,736</u>	<u>3,717,788</u>	<u>(3,607,312)</u>	<u>(106,532)</u>	<u>1,599,680</u>
Total Unrestricted funds	<u><u>5,698,223</u></u>	<u><u>3,721,710</u></u>	<u><u>(3,786,032)</u></u>	<u><u>-</u></u>	<u><u>5,633,901</u></u>

Description, nature and purpose of funds:

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.

The Mortimer Society
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2019

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 November 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 October 2018</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Birling House Donations	4,360	11,400	(4,682)	-	11,078
Frindsbury House Donations	5,315	18,095	(11,053)	-	12,357
Fixed Assets Fund	4,107,840	-	-	(28,788)	4,079,052
	<u>4,117,515</u>	<u>29,495</u>	<u>(15,735)</u>	<u>(28,788)</u>	<u>4,102,487</u>
General funds					
General Fund	1,451,248	3,698,127	(3,582,427)	28,788	1,595,736
	<u>1,451,248</u>	<u>3,698,127</u>	<u>(3,582,427)</u>	<u>28,788</u>	<u>1,595,736</u>
Total Unrestricted funds	<u>5,568,763</u>	<u>3,727,622</u>	<u>(3,598,162)</u>	<u>-</u>	<u>5,698,223</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019	Total funds 2019
	£	£
Tangible fixed assets	4,011,419	4,011,419
Current assets	1,794,918	1,794,918
Creditors due within one year	(172,436)	(172,436)
Total	<u>5,633,901</u>	<u>5,633,901</u>

The Mortimer Society
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 October 2019

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	4,079,052	4,079,052
Current assets	1,841,880	1,841,880
Creditors due within one year	(222,709)	(222,709)
Total	5,698,223	5,698,223

20. Capital commitments

	2019 £	<i>2018 £</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	9,995	-

21. Pension commitments

The Charity operates a defined contribution pension scheme open to all permanent employees. During the year the Charity contributed £58,651 (2018: £54,006) on behalf of employees who have opted into the scheme. Of these contributions £11,168 (2018: £7,564) remained outstanding at the balance sheet date and is included within current liabilities.

22. Operating lease commitments

At 31 October 2019 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	<i>2018 £</i>
Not later than 1 year	11,075	11,425
Later than 1 year and not later than 5 years	15,524	26,599
	26,599	<i>38,024</i>

23. 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.

Notes to the Financial Statements
For the Year Ended 31 October 2019

24. Related party transactions

A close family member of one of the Trustees resided at Frindsbury House for part of the year. Fees were received by The Mortimer Society at a rate fixed by the local authorities, as part of an arms length transaction. There were no fees outstanding at the year end (2018 - £nil).

25. Post balance sheet events

Between 25 March 2020, the date the financial statements were approved by the trustees, and the date of the audit report, the Covid-19 pandemic impacting on the world became significantly more serious. It has therefore been agreed to insert this additional subsequent events note to clarify the impact on the charity.

The nature of the charity's funding means income is expected to continue as normal and at previously budgeted levels subject to an outbreak of Covid-19 which would seriously impact fee income but currently the impact of the Coronavirus is anticipated, at this stage, to be purely operational. The trustees have reacted to Covid-19 by making the necessary changes to the day to day working practices to ensure that both residents and staff are protected and remain safe. Personal protective equipment ("PPE") is in use by staff, and no visitors are currently allowed to either care home.

Trustees acknowledge the risk to income and expenditure should the homes and or staff become affected by an outbreak of Covid-19. The failure to secure sufficient PPE would also impact on service safety. Therefore the management team is focused on reducing the risk by following national guidance from the CQC, Public Health England and working with other NHS and LA bodies.