

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 2017

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 2017**

Trustees

Mr M R Ellis, Chair (resigned 28 June 2017)
Mrs J M Westwood OBE, Chair (from 28 June 2017)
Dr T J Cantor, Vice Chair
Mrs Y Clarke
Mrs J Grimmett
Dr D Oliver
Mr J D Miller (appointed 29 March 2017)

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 Melanie McCarthy, Head of Homes - Care and Quality (retired 10 April 2017)
Mrs Susan Matthews, Head of Business and Corporate Affairs
Mrs Elaine Runeckles, Head of Care, Quality & Compliance (from 1 May 2017)
Mr Simon Dawes, Registered Manager, Birling House (until 12 January 2018)
Ms Leanne Stockwell, Frindsbury House Home Manager
Ms Hannah Wilson, Home Manager, Birling House (from 1 March 2018)

Independent auditor

MHA MacIntyre Hudson, 71 New Dover Road, Canterbury, Kent, CT1 3DZ

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 2017

The Trustees present their annual report together with the audited financial statements of the charitable company for the period 1 November 2016 to 31 October 2017. 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

a. 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.

b. 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.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

By refreshing 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, hair salon and internet access.
- 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2017

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.

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 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 in achieving the Care Certificate which 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

a. REVIEW OF ACTIVITIES

Staff Training

We are 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

Further but limited reinvestment into the business from reserves was made in 2016/17 as identified in our Capital Programme. The annual capital budget was capped 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 Society greatly enhanced and extended the Activities Suite at Birling House. 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 in 2016/17 the capital expenditure increased above plan to £136,000.

Occupancy levels

Our financial performance depends on overall room occupancy and the level of weekly fees paid on behalf of our residents. We are now registered with the Care Quality Commission for 31 rooms at Birling House (32 residents) and 23 rooms (23 residents) at Frindsbury House. In 2016/17, we achieved an average occupancy rate of 97% at Birling House and 96% at Frindsbury House. These very high occupancy levels reflect the quality of care provided and the value for money delivered as a charitable organisation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2017

Care Quality Commission

Birling House was last inspected by the CQC on 11th July 2017 under the new inspection regime looking at the five key lines on 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.

Frindsbury House was last inspected by the CQC later in that year on 15th December 2015. The service at the home was also rated as 'Good' in all areas and again an overall rating of GOOD was awarded.

A further CQC inspection is expected at this home in early 2018.

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

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

a. 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.

b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society's operating surplus for the financial year was £277,192 which amounted to 7.57% of total income from operational charitable activities. In commercial terms this surplus would not be regarded as a significant return on capital employed but it does allow the Society to look positively ahead and to make some capital reinvestment. Although the total income rose by £172,496 from the previous year, expenditure increased by £214,552 which adversely affected the overall financial position of the Society compared with last year's outturn. Staffing costs accounted for 73p 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 properly trained and experienced staff to deliver this service.

With the exceptionally good occupancy levels that we have achieved, our finances are currently sound but like most care homes we continually face rising costs. In contrast the level of our fee income per resident per week did not keep pace with inflation. During 2016/17 a small number of sponsoring authorities/CCGs gave a small increase in weekly fees to recognise the ongoing and increasing cost of the National Living Wage on the 1st April each year and pension contributions. The rises were generally below the rate of inflation despite ongoing increased costs, whereas the remainder offered no increase or were seeking to reduce fee levels due to budget constraints. Whilst 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 and service maintenance agreements have all seen a significant increase in price in excess of general inflation. At the same time the ever increasing regulation of the care sector brings year on year additional costs.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2017

As a charity we strive to deliver cost effective care. However, our income must meet our expenditure and allow us to continue to invest for the future. We hope that our sponsoring authorities will recognise that if charitable homes such as the Mortimer Society are to continue, fee income must reflect the true cost of caring for residents with very high dependency levels such as our residents as well as meeting the ever rising pay rates resulting from the imposed year on year increase in the National Living Wage through to at least the year 2020.

Donations

During the financial year, we received £3,775 in donations from various sources including donations made by families and friends of our residents.

The Society also received £2,152 in fundraising income as a result of staff and families arranging bazaars and other events for the benefit of the residents.

c. 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 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.

The Society continues 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.

Other risks 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. Changes in the political or social climate or a further economic downturn could also significantly impact on the operation of the Charity's business.

d. RESERVES POLICY

At the end of 2016/17 the Society's free reserves stood at £1,451,248 compared with £1,175,529 at the end of the previous year. During the year the Trustees reviewed the Reserves Policy and confirmed that adequate reserves need to be maintained to allow for any reduction in occupancy levels and for other potential risks and eventualities. The Reserves Policy agreed by the Board of Trustees is that reserves should be maintained at a minimum of three months of basic operating expenditure, approximately £600,000.

Trustees are continually reviewing investment opportunities to maximise the income of the Society with due consideration to protecting the beneficiaries in our care.

Structure, governance and management

a. CONSTITUTION

The Society is a registered charity and a company limited by guarantee and as such operates under its

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2017

Memorandum and Articles of Association, which have received the approval of the Charity Commission.

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

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Society has an induction programme for Trustees covering the work of the charity including visits to the two homes and an opportunity to meet 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.

d. 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 aims. It will always be consistent with these aims and recognise that it is possible to attract senior executives with lower pay than public or private sector market rates.

The Trustees are responsible for setting remuneration levels for the Charity's 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.

e. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees discharges its responsibility of overseeing the administration of the Society at its quarterly general and additional meetings and by delegating specific projects to appropriate sub-groups. Society members are entitled to attend and vote at all general meetings. In addition to the Trustees, Society members are 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 management and running of the two homes is carried out by the Head of Care and Quality 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.

The Society has adopted the principles contained in the 2017 Charity Governance Code - a Code issued by the Charities Commission for use by Charities in England and Wales.

f. RISK MANAGEMENT

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 OCTOBER 2017

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

Plans for future periods

a. FUTURE DEVELOPMENTS

The main aims and objectives of the Society during 2017/18 are to:

- Continue to provide outstanding specialised and individual care for our residents.
- 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 CQC.
- Evaluate the catering arrangements to safeguard the nutritional content of residents' meals and drinks to ensure their individual needs in terms of diet, food texture descriptors and fluid consistency are met.
- Investment plan focused at Frindsbury House:
 - I. Undertake a redevelopment project of the corridors to enable ease of access to residents' rooms in certain areas of the building.
 - II. Convert the downstairs bathroom into a shower room that would benefit any residents with a rigid posture and involuntary movements as a result of Huntington's disease.
 - III. Install air conditioning units in the two dayrooms and four bedrooms for the benefit of the residents' health.
- Pursue new business opportunities to provide additional day and respite care placements whenever possible.
- 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.
- Enhance the Society's profile by widening our marketing strategy 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 development of an enhanced website.

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 Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has 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 _____ and signed on their behalf by:

.....
Mrs J M Westwood OBE, Chair

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2017

The Trustees (who are also directors of The Mortimer Society 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MORTIMER SOCIETY

OPINION

We have audited the financial statements of The Mortimer Society (the 'charity') for the year ended 31 October 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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).

This report is made solely to the charitable company's members, 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 company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 Auditor's report thereon. Our opinion

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MORTIMER SOCIETY

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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MORTIMER SOCIETY

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Richard Kreffer FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

71 New Dover Road
Canterbury
Kent
CT1 3DZ
Date:

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Note	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:				
Donations and legacies	2	3,775	3,775	5,092
Charitable activities	3	3,648,958	3,648,958	3,477,185
Fundraising		2,152	2,152	1,453
Investments	4	6,643	6,643	5,062
Other income		-	-	240
TOTAL INCOME		3,661,528	3,661,528	3,489,032
EXPENDITURE ON:				
Charitable activities	5,8	3,384,336	3,384,336	3,169,784
TOTAL EXPENDITURE	9	3,384,336	3,384,336	3,169,784
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		277,192	277,192	319,248
NET MOVEMENT IN FUNDS		277,192	277,192	319,248
RECONCILIATION OF FUNDS:				
Total funds brought forward		5,291,571	5,291,571	4,972,323
TOTAL FUNDS CARRIED FORWARD		5,568,763	5,568,763	5,291,571

The notes on pages 15 to 27 form part of these financial statements.

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REGISTERED NUMBER: 01741444

BALANCE SHEET
AS AT 31 OCTOBER 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		4,107,840		4,111,267
CURRENT ASSETS					
Debtors	15	175,253		221,354	
Cash at bank and in hand		1,422,712		1,166,735	
		<u>1,597,965</u>		<u>1,388,089</u>	
CREDITORS: amounts falling due within one year	16	(137,042)		(207,785)	
NET CURRENT ASSETS			<u>1,460,923</u>		1,180,304
NET ASSETS			<u><u>5,568,763</u></u>		<u><u>5,291,571</u></u>
CHARITY FUNDS					
Unrestricted funds	17		<u>5,568,763</u>		<u>5,291,571</u>
TOTAL FUNDS			<u><u>5,568,763</u></u>		<u><u>5,291,571</u></u>

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

and

.....
 Mrs J M Westwood OBE, Chair

.....
 Dr T J Cantor, Vice Chair

The notes on pages 15 to 27 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>385,585</u>	<u>402,803</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		6,643	5,062
Proceeds from the sale of tangible fixed assets		-	700
Purchase of tangible fixed assets		<u>(136,251)</u>	<u>(26,971)</u>
Net cash used in investing activities		<u>(129,608)</u>	<u>(21,209)</u>
Change in cash and cash equivalents in the year		255,977	381,594
Cash and cash equivalents brought forward		<u>1,166,735</u>	<u>785,141</u>
Cash and cash equivalents carried forward		<u><u>1,422,712</u></u>	<u><u>1,166,735</u></u>

The notes on pages 15 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

1.2 Company status

The Mortimer Society is a charitable company registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is £1 per member of the charity. The address of the registered office is given in the charity information on page 1. The nature of the charity's operations and principal activity is to provide relief for those in need by reason of ill health or disability.

1.3 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Income

Incoming resources are mainly attributable to the principal activity of the charity, representing fees receivable from Local Authorities and Clinical Commissioning Groups. Income from charitable activities (fee income) received in advance of the service being provided is deferred until the recognition criteria are met. Income from donations and grants are recognised when the charity is notified of the amount and date of settlement. If there are conditions attached then the income is deferred until those conditions are fully met, or the fulfilment of the conditions is within the control of the charity and it is probable that they will be fulfilled.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably. This is normally upon notification of the interest paid or payable by the bank.

Income from fundraising includes income earned from fundraising events to raise funds for the charity.

1.5 Expenditure

Resources expended are recognised in the period in which a liability is incurred. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

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 6.

1.6 Tangible fixed assets and depreciation

As from 1 November 2005 additions costing less than £2,500 are not capitalised. Tangible fixed assets not in use as at the balance sheet date are not depreciated.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Over 50 years (as from 1 November 2002)
Freehold land	-	Nil
Motor vehicles	-	Over 3 years
Household furniture and equipment	-	Over 5 years
Integral features (included within buildings)	-	Over 15 - 20 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 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.

1.9 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.

1.10 Liabilities and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.11 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.

1.12 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

1.13 Judgements in applying accounting policies

No significant judgements or key estimates have been made by management in preparing these financial statements.

THE MORTIMER SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	3,775	3,775	5,092
<i>Total 2016</i>	<u>5,092</u>	<u>5,092</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Provision of care services	3,648,958	3,648,958	3,477,185
<i>Total 2016</i>	<u>3,477,185</u>	<u>3,477,185</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank deposit interest	6,643	6,643	5,062
<i>Total 2016</i>	<u>5,062</u>	<u>5,062</u>	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Provision of care services	3,320,098	3,320,098	3,100,771
<i>Total 2016</i>	<u>3,100,771</u>	<u>3,100,771</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

6. DIRECT COSTS

	Basis of Allocation	Provision of care service £	Total 2017 £	Total 2016 £
Staff recruitment	Direct	4,865	4,865	4,875
Travel and other staff costs	Direct	55,829	55,829	63,445
Resident costs including food and household expenses	Direct	334,386	334,386	319,837
Property costs	Direct	93,169	93,169	103,483
Insurance	Usage	18,494	18,494	16,996
Agency costs	Direct	292,904	292,904	265,326
Profit on disposal of fixed assets	Usage	-	-	(700)
Wages and salaries	Direct	1,956,997	1,956,997	1,830,424
National insurance	Direct	156,311	156,311	137,722
Pension cost	Direct	30,601	30,601	33,392
Depreciation	Usage	139,678	139,678	124,754
		3,083,234	3,083,234	2,899,554
<i>At 31 October 2016</i>		2,899,554	2,899,554	

7. SUPPORT COSTS

	Basis of Allocation	Provision of care service £	Total 2017 £	Total 2016 £
General office costs	Usage	48,456	48,456	44,978
Communications	Usage	7,979	7,979	11,062
Professional fees	Usage	14,310	14,310	15,380
Bank charges	Usage	1,317	1,317	1,475
Wages and salaries	Staff time	149,876	149,876	105,025
Pension costs	Staff time	14,926	14,926	23,297
		236,864	236,864	201,217
<i>At 31 October 2016</i>		201,217	201,217	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

8. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Audit costs	10,125	10,125	9,547
Communications	887	887	1,229
General office costs	5,384	5,384	4,998
Travel and other staff costs	939	939	222
Office and finance staff costs	46,178	46,178	53,017
Pension costs	725	725	-
	<u>64,238</u>	<u>64,238</u>	<u>69,013</u>

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of care services	2,308,711	139,678	871,709	3,320,098	3,100,771
Expenditure on governance	46,903	-	17,335	64,238	69,013
	<u>2,355,614</u>	<u>139,678</u>	<u>889,044</u>	<u>3,384,336</u>	<u>3,169,784</u>

10. NET INCOME/(EXPENDITURE)

This is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	139,678	124,754
Profit on disposal of fixed assets	-	(700)
	<u>139,678</u>	<u>124,054</u>

During the year, no Trustees received any remuneration (2016 - £NIL).
During the year, no Trustees received any benefits in kind (2016 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

11. AUDITORS' REMUNERATION

	2017	2016
	£	£
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	10,125	9,547

12. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	2,153,051	1,988,466
Social security costs	156,311	137,722
Other pension costs	46,252	56,689
	2,355,614	2,182,877

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

	2017	2016
	No.	No.
Provision of care and services	127	125
Administration and support	4	4
Governance	1	1
	132	130

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Provision of care and services	116	115
Administration and support	3	3
Governance	1	1
	120	119

No employee received remuneration amounting to more than £60,000 in either year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

13. Key management personnel remuneration and trustees' expenses

Neither the trustees nor any persons connected with them have received any remuneration or benefits in kind from the company. No amounts (2016: £nil) were paid to any trustee in respect of reimbursed travel expenses during the year.

The total amount of employee benefits received by key management personnel was £211,152 (2016: £198,348). The Charity considers its key management personnel comprise:

- Trustees
- Paul Studd
- Melanie McCarthy (until 10 April 2017)
- Susan Matthews
- Elaine Runeckles
- Simon Dawes
- Leanne Stockwell

14. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Household furniture and equipment £	Total £
Cost				
At 1 November 2016	4,876,301	84,548	511,265	5,472,114
Additions	58,735	21,872	55,644	136,251
Disposals	-	(16,798)	-	(16,798)
At 31 October 2017	<u>4,935,036</u>	<u>89,622</u>	<u>566,909</u>	<u>5,591,567</u>
Depreciation				
At 1 November 2016	836,576	84,548	439,723	1,360,847
Charge for the year	100,253	6,956	32,469	139,678
On disposals	-	(16,798)	-	(16,798)
At 31 October 2017	<u>936,829</u>	<u>74,706</u>	<u>472,192</u>	<u>1,483,727</u>
Net book value				
At 31 October 2017	<u>3,998,207</u>	<u>14,916</u>	<u>94,717</u>	<u>4,107,840</u>
At 31 October 2016	<u>4,039,725</u>	<u>-</u>	<u>71,542</u>	<u>4,111,267</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

15. DEBTORS

	2017 £	2016 £
Trade debtors	103,009	174,616
Other debtors	2,318	603
Prepayments and accrued income	69,926	46,135
	<u>175,253</u>	<u>221,354</u>

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	29,479	27,816
Other creditors	81,764	145,413
Accruals and deferred income	25,799	34,556
	<u>137,042</u>	<u>207,785</u>

Deferred income

Deferred income at 1 November 2016	8,246
Resources deferred during the year	17,400
Amounts released from previous years	(8,246)
Deferred income at 31 October 2017	<u>17,400</u>

Income has been deferred in respect of fees received in advance.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 November 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 October 2017 £
Designated funds					
Birling House Donations	2,338	4,339	(2,317)	-	4,360
Frindsbury House Donations	2,437	2,978	(100)	-	5,315
Fixed Assets Fund	4,111,267	-	-	(3,427)	4,107,840
	<u>4,116,042</u>	<u>7,317</u>	<u>(2,417)</u>	<u>(3,427)</u>	<u>4,117,515</u>
General funds					
Unrestricted General Fund	1,175,529	3,654,211	(3,381,919)	3,427	1,451,248
Total Unrestricted funds	<u>5,291,571</u>	<u>3,661,528</u>	<u>(3,384,336)</u>	<u>-</u>	<u>5,568,763</u>
Total of funds	<u>5,291,571</u>	<u>3,661,528</u>	<u>(3,384,336)</u>	<u>-</u>	<u>5,568,763</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 November 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 October 2016 £
Designated funds					
Birling House Donations	3,826	5,482	(6,970)	-	2,338
Frindsbury House Donations	1,041	1,471	(75)	-	2,437
Fixed Assets Fund	4,209,050	-	-	(97,783)	4,111,267
	<u>4,213,917</u>	<u>6,953</u>	<u>(7,045)</u>	<u>(97,783)</u>	<u>4,116,042</u>
General funds					
Unrestricted General Fund	758,406	3,482,079	(3,162,739)	97,783	1,175,529
	<u>758,406</u>	<u>3,482,079</u>	<u>(3,162,739)</u>	<u>97,783</u>	<u>1,175,529</u>
Total Unrestricted funds	<u>4,972,323</u>	<u>3,489,032</u>	<u>(3,169,784)</u>	<u>-</u>	<u>5,291,571</u>
Total of funds	<u>4,972,323</u>	<u>3,489,032</u>	<u>(3,169,784)</u>	<u>-</u>	<u>5,291,571</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

The designated fixed assets fund represents the net book value of tangible fixed assets minus the long term element of the loans used to finance those assets. An amount is transferred to or from the fund representing the movement in the net book value of tangible fixed assets at the year end.

The Birling and Frindsbury House designated funds hold donations received at each house during the year. These pots of money will be used to fund purchases of items outside of the general operating budget of the charity and the managers and staff of each home will be able to contribute ideas for how the money will be spent.

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 November 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 October 2017 £
Designated funds	4,116,042	7,317	(2,417)	(3,427)	4,117,515
General funds	1,175,529	3,654,211	(3,381,919)	3,427	1,451,248
	<u>5,291,571</u>	<u>3,661,528</u>	<u>(3,384,336)</u>	<u>-</u>	<u>5,568,763</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 November 2015 £	Income £	Expenditure £	Transfers £	Balance at 31 October 2016 £
Designated funds	4,213,917	6,953	(7,045)	(97,783)	4,116,042
General funds	758,406	3,482,079	(3,162,739)	97,783	1,175,529
	<u>4,972,323</u>	<u>3,489,032</u>	<u>(3,169,784)</u>	<u>-</u>	<u>5,291,571</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	4,107,840	4,107,840
Current assets	1,597,965	1,597,965
Creditors due within one year	(137,042)	(137,042)
	<u>5,568,763</u>	<u>5,568,763</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	4,111,267	4,111,267
Current assets	1,388,089	1,388,089
Creditors due within one year	(207,785)	(207,785)
	<u>5,291,571</u>	<u>5,291,571</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	277,192	319,248
Adjustment for:		
Depreciation charges	139,678	124,754
Dividends, interest and rents from investments	(6,643)	(5,062)
Profit on the sale of fixed assets	-	(700)
Decrease/(increase) in debtors	46,101	(75,219)
(Decrease)/increase in creditors	(70,743)	39,782
Net cash provided by operating activities	<u>385,585</u>	<u>402,803</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,422,712	1,166,735
Total	<u>1,422,712</u>	<u>1,166,735</u>

21. PENSION COMMITMENTS

The charitable company operates a defined contribution pension scheme open to all permanent employees. During the year the charitable company contributed £47,499 (2016: £46,230) on behalf of employees who have opted in to the scheme. Of these contributions £5,133 (2016: £5,815) remained outstanding at the balance sheet date and is included within current liabilities.

22. OPERATING LEASE COMMITMENTS

At 31 October 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	7,492	6,256
Between 1 and 5 years	20,387	15,839
After more than 5 years	448	-
Total	<u>28,327</u>	<u>22,095</u>

23. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year (2016: £nil).