

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021



EMH CARE AND SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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**EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION**

FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES

Jim Holden – Chair

Tim Brown
Vandna Gohil
Patricia McCabe
Margaret Coward

PRINCIPAL BANKER

National Westminster Bank Plc

5 Market Place
Chesterfield
S40 1TJ

AUDITOR

KPMG LLP

One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley

Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2021.

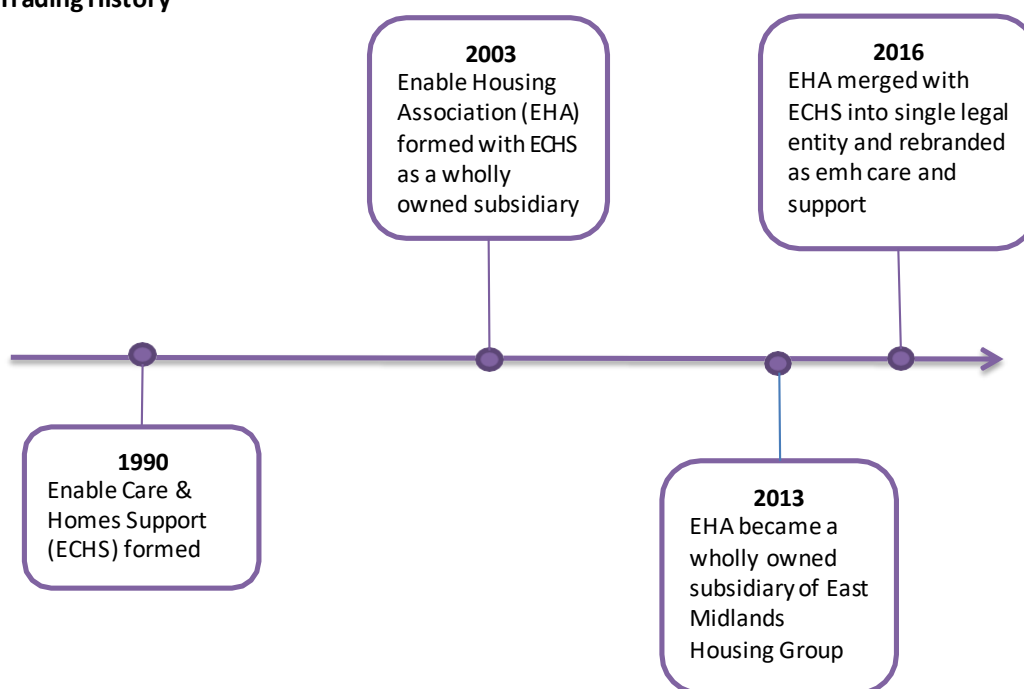
Structure, Governance & Management

Background

emh Care and Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The company was incorporated on 4th April 1990. Its principal activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons;
- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;
- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance & Management (continued)

Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Jim Holden	4/4
Tim Brown	4/4
Vandna Gohil	4/4
Patricia McCabe	4/4
Margaret Coward	4/4

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the company at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the company for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement

Customer engagement also plays a vital role in shaping the future of the organisation. We have previously offered a number of ways for our customers and their representatives to be involved in helping us achieve our mission including our Service User Forum.

Unfortunately due to the Covid-19 pandemic the Service User Forum has been unable to engage with others and feedback has been limited. This is a high priority for us and this group will be re-established once allowable to continue their valuable work.

Volunteers

emh care and support are engaged in supporting and delivering a range of volunteering opportunities. Working with members of the public, our paid staff, support people using our services or encourage school and college placements. We provide thousands of volunteer hours per year under normal circumstances however due to the current Covid-19 pandemic those we work with are closed to volunteers. Where possible we have continued to support initiatives and have worked to link service users to activities and information where possible.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance & Management (continued)

Volunteers (continued)

We have maintained links with the various providers of volunteering opportunities including: The National Trust, Brierley Forest Park, Activity Providers, Peak Rail, Matlock Farm Park, Ashfield Council, Staveley Town Council, NDVA, Rock Box, the Eco Centre, Staveley and Bakewell Town Councils, Brightside, Peak Park, Walking for Health, Notts FA and Active Derbyshire and hope to re-establish this commitment once restrictions allow. Staff continue to do as much as possible for our service users and communities especially in the current environment and have been busy delivering Covid secure support across our services including tele befriending during the lockdowns, and linking people up or providing accessible activities and information. They have also developed a digital inclusion project linking people up with devices, learning and support to link with people and activity on line.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2020: none).

Corporate Mission and Aims

The organisation strives to **"be the best social housing and care business in the country"**. This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this in a number of ways: -

Supported Housing

We continue to manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Charitable Activities (continued)

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 274 service users, providing around 12,900 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 moderately sized nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by our qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Day Services and Social Enterprise



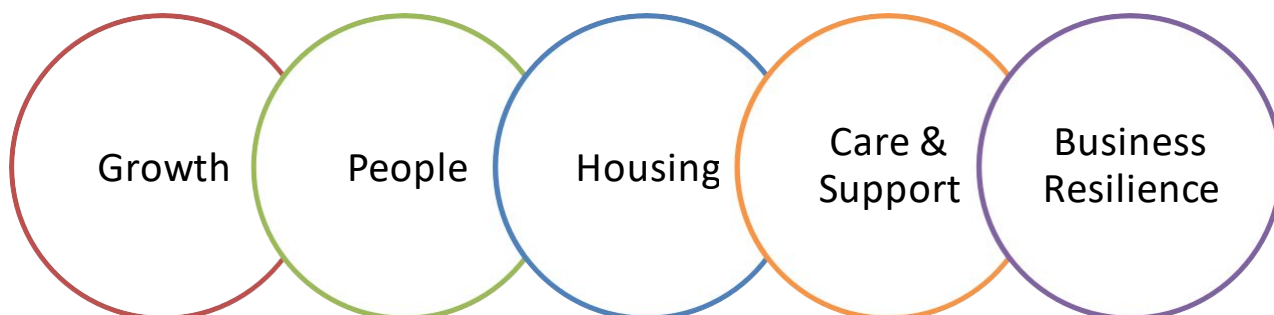
We manage 4 day centres supporting around 78 customers each week including our own residents and private customers. This number has halved in the current year due to Covid-19 restrictions which meant that we were unable to accept new referrals to our services, however we have continued to support as many existing customers as possible. Despite the challenges which faced us during the pandemic we have continued to support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners where possible we have strived to

continue to provide support and opportunities to our service users. It is with regret that we were unable to facilitate the extensive community activities and volunteering that we have fulfilled in previous years. Due to the pandemic this was simply not possible however the safety of those we support and our staff has been paramount. We have been disciplined and consistent in our Covid-19 safe systems and service users and their families have remained supportive.

Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 250 units, some owned within the Group and some won on a tender basis.

Future Plans



The Group's latest Strategic Business Plan has been reviewed and updated. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.

Our Care and Support aim is to ***deliver a clear vision and strategy for our Care and Support arm that delivers "outstanding" services to the people that we support***. Our objectives to deliver this are:-

- ✓ We will expand our care and support services including:
 - Appraising existing services to determine which we are best placed to support going forward;
 - Expanding the range and geography of the services we provide;
 - Working with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will deliver outstanding care and support services as judged by our regulator and customers;
- ✓ We will actively seek opportunities to diversify our income streams;
- ✓ Actively promote career opportunities in social care to realise a fully recruited team of dedicated staff;

During the year we have continued to make significant progress against our objectives and are proud of our many achievements.

Developing our Services

As per the Care and Support Strategy we have continued to focus on our priorities and ambitions including plans to grow the business and explore innovative solutions to continually improve the care that we provide to our service users.

Working with Leicester City Council we have secured a contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples. This has the potential to be a five-year contract.

We have gained inclusion on to the Leicestershire County Council Supported Living Dynamic Purchasing System list which complements the frameworks we are already part of, including; Lincolnshire and Northamptonshire Frameworks for Community Supported Living; The Commissioning for a Good Life Framework for Specialist Learning Difficulty Services in Northamptonshire and Derbyshire Community Lives Directory which is a Derbyshire County Council framework for the provision of day services.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Future Plans (continued)

Developing our Services (continued)



The delivery of care to older people remains a strategically important part of our service offering and with the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution.

emh group continues to expand its portfolio of properties for older people and the 5th extra care scheme is due for completion in autumn 2021. The Springfield scheme in Ashby-de-la-Zouch comprises 50 units for affordable rent and 15 for shared ownership. By self-funding this development it has allowed us to ensure that all services are provided in house and to the highest standard.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -



Outstanding

The service is performing exceptionally well.



Good

The service is performing well and meeting our expectations.



Requires improvement

The service isn't performing as well as it should be and we have told the service how it must improve.



Inadequate

The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs
5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Regulation (continued)

All of our registered services are now rated good by CQC with the exception of one of the Extra Care Services that has an overall rating of requires improvement.

In 2019-20, we registered three new Extra Care schemes in the Northamptonshire region with CQC. Two are not yet subject to a formal inspection, they are registered services and can be deemed as 'Good' as this is the minimum standard required in order for a service to pass registration with CQC.

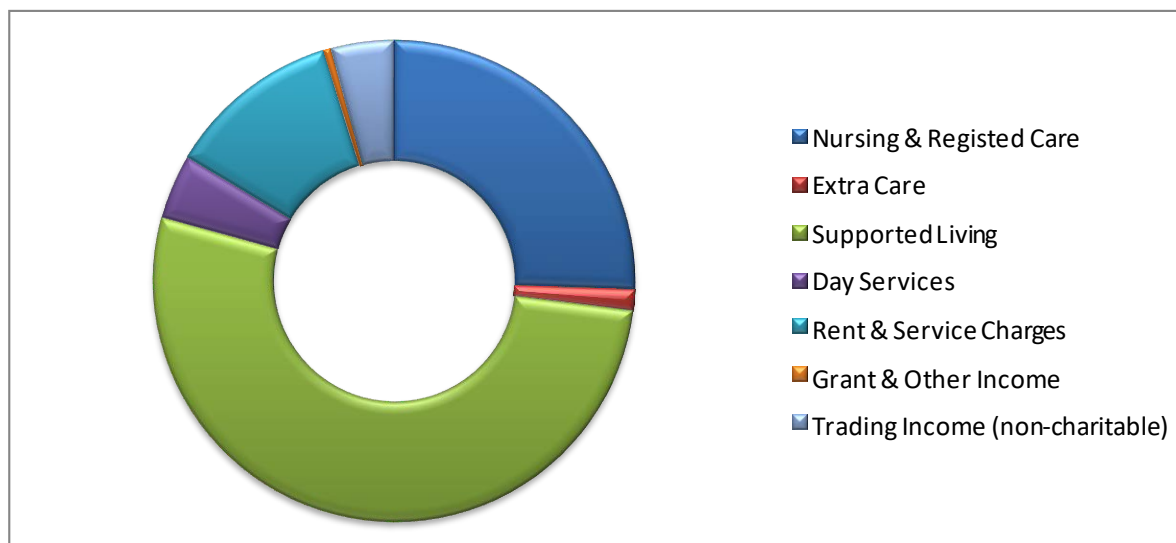
We are in the process of registering a new Extra Care service in Ashby de la Zouch, Leicestershire with CQC in readiness of the opening of this scheme in September 2021.

Financial Review & Reserves Policy

The company generated £18.7m of income during the year, an increase of £1.5m from the prior year. Additional support funding in relation to Covid-19 of £0.5m was received along with net disposal proceeds of £191k following the sale of Hill House. Increased needs of service users and requirements at our nursing homes has further increased the income in year.

96% of our income is generated through our charitable activities. This has reduced from 99% in previous years due to the £0.5m of income received in relation to Covid-19 support which is not deemed to be a charitable activity. As with previous years a small amount of income was generated from non-charitable activities including income from our social enterprise.

All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



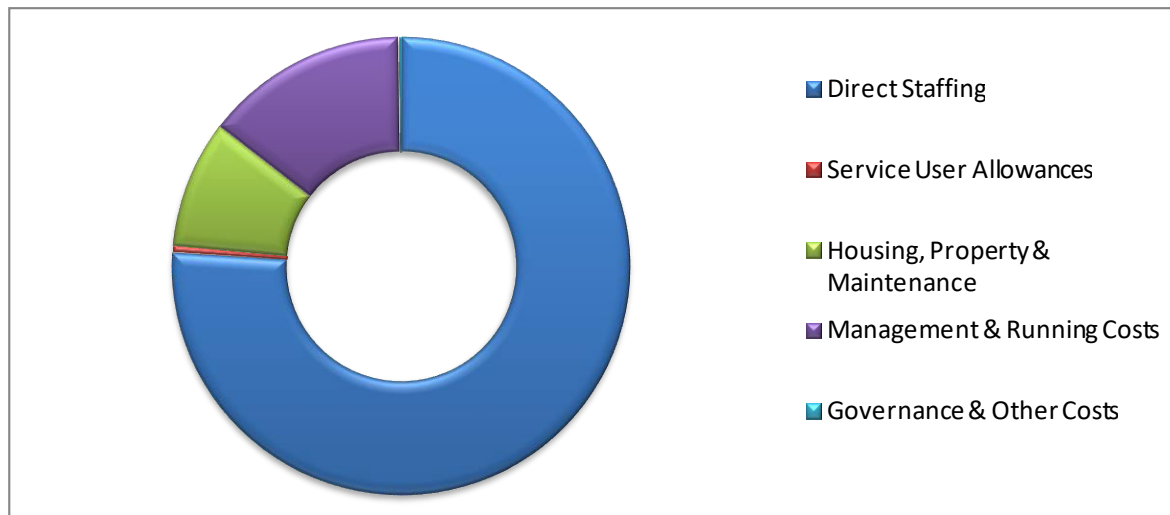
The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

**EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT**

FOR THE YEAR ENDED 31 MARCH 2021

Financial Review & Reserves Policy (continued)

Running costs and overheads of £17.1m were incurred in the year, £0.7m higher than in 2020. This includes significant additional costs in relation to the care provided during the Covid-19 pandemic. The chart below shows the main expenditure areas:



We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives. Our Statement of Financial Activities shows a surplus for the year of £1,064k (2020: £1,441k). This includes an increase in pension liabilities of £559k following the reassessment by the actuary.

Our surplus before pension adjustment was £1,623k (2020: £833k), whilst this shows the continued financial stability of the organisation. The additional income in relation to Covid-19 increased this surplus significantly above the previous year and is not reflective of an ongoing position. Balancing quality services with financial viability continues to be challenge for the organisation and our ultimate aim is for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

Overall the following amounts are proposed: -

	£000
Monthly working capital	4,250
Protection against loss of contracts	250
Inviabile Service Delivery	250
Replacement Components	<u>250</u>
	<u>5,000</u>

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Financial Review & Reserves Policy (continued)

At the end of the financial year the organisation had fixed assets of £9.7m (2020: £10m), net current assets of £8m (2020: £6.4m) and total funds of £16.0m (2020: £15m) indicating that the target has been achieved. Cash balances have increased by £1.1m over the year.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment is challenging and uncertain with the impacts of COVID19, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

As with many providers in our sector the current global pandemic has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We moved quickly to adapt our working practices despite the changing government advice and the low infection rates within our services is testament to this. We were able to access different income streams to support the increasing costs of continuing our valued services however continuation of this funding remains uncertain. As the pandemic continues the landscape is continually monitored and risks identified and mitigated where possible.

We have also remained engaged with ongoing case brought by UNISON for the sleep in pay. The final decision was delivered in March 2021 and deemed that social care staff are not entitled to the national minimum wage for every hour they work, including sleep-in shifts. We have continued to pay for these shifts as previously and ongoing arrangements will be reviewed with the county council.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of Disabled People

The company's policy is to give full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Disabled people receive appropriate training to promote their career development within the company. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Grants and Donations

During the year the company made no charitable donations (2020: £nil).

The company has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by: -



[Joanne Tilley \(Sep 17, 2021 16:58 GMT+1\)](#)

JOANNE TILLEY
Secretary
7th September 2021

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT
AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have been required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

Jim holden

[Jim holden \(Sep 17, 2021 17:11 GMT+1\)](#)

Jim Holden

Chair

7th September 2021

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of emh Care and Support Limited (“the charitable company”) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the Trustee’s conclusions, we considered the inherent risks to the charitable company’s business model and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee’s assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees and the Audit Committee as to the charitable company’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the charitable company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants / regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that care related income is recorded in the wrong period and may be overstated.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.
- Sample testing of care and support income relating to the period prior to 31 March 2021 to determine whether income is recognised in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Charitable company’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), distributable profits legislation, taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation and Employment and Social Security Legislation, recognising the regulated nature of the Charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 13, 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 which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill,
Snow Hill Queensway
Birmingham
B4 6GH

24 September 2020

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 Unrestricted Funds £000	2021 Restricted Funds £000	2021 Total Funds £000	2020 Total Funds £000
Income from :					
Income from Charitable Activities	3	17,923	-	17,923	17,086
Other income	4	791	-	791	139
Total Incoming Resources		18,714	-	18,714	17,225
Resources Expended					
Expenditure on :					
Charitable activities:	3	17,034	20	17,054	16,324
Other Expenditure	5	37	-	37	68
Total Resources Expended		17,071	20	17,091	16,392
Remeasurement of Social Housing Pension Scheme	8	(559)	-	(559)	608
Net incoming resources before transfers		1,084	(20)	1,064	1,441
Net movement in funds		1,084	(20)	1,064	1,441
Funds brought forward at 1 April 2020		14,212	773	14,985	13,544
Funds carried forward at 31 March 2021		15,296	753	16,049	14,985

The results shown above are all derived from continuing activities.

EMH CARE AND SUPPORT LIMITED**BALANCE SHEET**

AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Housing properties	11	7,931	7,905
Other fixed assets	11	1,808	2,086
		9,739	9,991
Current assets			
Trade and other debtors	13	2,481	2,563
Cash and cash equivalents		6,926	5,802
		9,407	8,365
Creditors: amounts falling due within one year	14	(1,415)	(2,001)
Net current assets		7,992	6,364
Total assets less current liabilities		17,731	16,355
Creditors: amounts falling due after more than one year	15	(723)	(919)
Provision for liabilities			
Other provisions	17	(174)	(107)
Pension liability	8	(785)	(344)
Net assets		16,049	14,985
Funds			
Unrestricted	18	15,296	14,212
Restricted	19	753	773
		16,049	14,985

These financial statements were approved by the Board on 7 September 2021 and were signed on its behalf by:

Jim holden

Jim holden (Sep 17, 2021 17:11 GMT+1)

**Jim
Holden**
Chair


Joanne Tilley (Sep 17, 2021 16:58 GMT+1)

**Joanne
Tilley**
Secretary

EMH CARE AND SUPPORT LIMITED
STATEMENT OF CASHFLOWS
 FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Net cash inflow/(outflow) from operating activities	24	918	(182)
Cash Flows from Investing Activities			
Interest received		3	17
Purchase of tangible assets		(235)	(837)
Receipts from sale of assets		433	(32)
Cash provided by (used by) Investing Activities		201	(852)
Cash Flows from Financing Activities			
Interest received/(paid)		5	6
Cash provided (used by)/by Financing Activities		5	6
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		1,124	(1,028)
Cash and Cash equivalents at 1 April		5,802	6,830
Cash and Cash equivalents at 31 March		6,926	5,802
	At 1 April 2020 £000	Cash Flows £000	At 31 March 2021 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	5,802	1,124	6,926
Total Cash and Cash equivalents	5,802	1,124	6,926

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2021, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and
Related Parties note.

Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2021 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. Following the outbreak of Covid-19 the Charity has undertaken a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The board, after reviewing the charity budgets for 2021/22 and the charity's medium term financial position as detailed in the 30-year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

2 Principal Accounting Policies (continued)

Going Concern (continued)

- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;
- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;
- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- 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 between the expenditure categories of the SOFA 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.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Principal Accounting Policies (continued)

Housing properties

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Other tangible fixed assets

Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant

Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets

The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the Charity. For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Pensions Trust Social Housing Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Principal Accounting Policies (continued)

Reserves

The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds

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 above in the notes to the financial statements.

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

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors

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

Creditors 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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments

The trust 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.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolesce

No triggers for impairment have been identified.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
3 Charitable Activities		
<u>Income from Charitable Activities</u>		
Registered care funding	5,047	4,996
Supported living & day care contracts	10,596	9,589
Rental income & service charges	2,186	2,421
Amortised government grant	13	14
Other Charitable Income	81	66
Total Income from Charitable Activities	17,923	17,086
<u>Expenditure on Charitable Activities</u>		
Care staff costs, including training	12,970	12,127
Service user allowances	78	75
Housing costs	934	859
Maintenance costs	369	542
Salaries & management costs	2,148	2,043
Registration fees	12	10
Grants, donations and promotions	-	1
Professional fees	56	101
Depreciation and impairment	226	286
Bad Debts	40	(26)
Other costs	201	295
Total Expenditure on Charitable Activities	17,034	16,313
<u>Restricted Funds</u>		
Depreciation and impairment	12	11
Write offs	8	-
	20	11
4 Other Income		
Fixed asset disposal proceeds	252	7
Fixed asset grant abated	181	-
Fixed asset cost of disposals	(242)	(5)
Gain on disposal of fixed assets	191	2
Interest Received	3	17
Mobility Scheme	-	25
Other Income	597	95
Total Other Income	791	139

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
5 Other Expenditure		
Interest Payable	7	22
Mobility Scheme	-	15
Governance; Professional Fees	30	31
	30	31
Total Other Expenditure	37	68

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:

Depreciation & amortisation	245	298
Auditors remuneration	30	30

7 Staff numbers and costs

The average number of persons employed by the company (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2021	2020
	Number	Number
Care and support staff	375	358
Office Staff	56	55
Trustees	5	5
	436	418

	2021	2020
	£000	£000
Staff costs for the above persons:		
Wages and salaries	11,413	9,902
Social security costs	941	821
Pension costs	584	533
Termination Benefits	24	56
	12,962	11,312

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits

The company operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2021

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2020	344	4
Loss/(profit) in the period charged to the profit & loss account	12	(1)
Loss in the period charged to other comprehensive income	559	-
Deficit contribution paid	(130)	-
Net liability at 31 March 2021	785	3

The Pensions Trust - Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	2021 £'000	2020 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	4,148	3,720
Present value of defined benefit obligation	(4,933)	(4,064)
Defined benefit (liability)/asset to be recognised	(785)	(344)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	4,064	4,697
Expenses	5	5
Interest expense	96	107
Actuarial losses/(gains) due to scheme experience	(21)	(100)
Actuarial losses/(gains) due to changes in demographic assumptions	18	(42)
Actuarial losses/(gains) due to changes in financial assumptions	885	(491)
Benefits paid and expenses	(114)	(112)
Defined benefit obligation at end of period	4,933	4,064
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	3,720	3,645
Interest income	89	84
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	323	(25)
Contributions by the employer	130	128
Benefits paid and expenses	(114)	(112)
Fair value of plan assets at end of period	4,148	3,720
The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £412,000.		
Defined benefit costs recognised in statement of comprehensive income (SOCl)		
Expenses	5	5
Net interest expense	7	23
Defined benefit costs recognised in statement of comprehensive income (SoCl)	12	28

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2021	2020
	£'000	£'000
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	323	(25)
Experience gains and losses arising on the plan liabilities - (loss)/gain	21	100
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(18)	42
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(885)	491
Total amount recognised in other comprehensive income - (loss)/gain	(559)	608
Assets		
Global Equity	661	544
Absolute Return	229	194
Distressed Opportunities	120	72
Credit Relative Value	131	102
Alternative Risk Premia	156	260
Fund of Hedge Funds	-	2
Emerging Markets Debt	167	113
Risk Sharing	151	126
Insurance-Linked Securities	100	114
Property	86	82
Infrastructure	277	277
Private Debt	99	75
Opportunistic Illiquid Credit	105	90
High Yield	124	-
Opportunistic Credit	114	-
Corporate Bond Fund	245	212
Liquid Credit	50	2
Long Lease Property	81	64
Secured Income	173	141
Liability Driven Investment	1,054	1,234
Net Current Assets	25	16
Total assets	4,148	3,720

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2021	2020
	% per annum	% per annum
Discount Rate	2.14	2.39
Inflation (RPI)	3.30	2.65
Inflation (CPI)	2.85	1.65
Salary Growth	3.85	2.65
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

The Pensions Trust - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11.243m per annum (payable monthly and increasing by 3.0% each year on 1 April)
---------------------------------------	---

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12.945m per annum (payable monthly and increasing by 3.0% each year on 1 April)
From 1 April 2016 to 30 September 2028:	£50.560k per annum (payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2021 £000	2020 £000
<u>Present Value of provision</u>		
Present value of provision at period end	3	4
<u>Reconciliation of opening and closing provisions</u>		
Provision at start of period	4	5
Deficit contribution paid	(1)	(1)
Provision at the end of period	3	4

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
8 Employee Benefits (continued)		

The Pensions Trust - The Growth Plan (continued)

Assumptions

Rate of discount per annum	0.66%	2.53%
----------------------------	-------	-------

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration

Fees payable to the company's auditor for the audit of the annual accounts	30	30
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10 Taxation

The company is a registered charity and has no trading activities liable to taxation

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed Assets

<u>Housing Assets</u>	Assets in the Course of Construction £000	Housing properties for letting £000	Care and support properties £000	Total £000	
Cost					
1 April 2020	5	6,202	4,731	10,938	
Replacement of Components	42	123	18	183	
Disposals	-	(22)	(45)	(67)	
31 March 2021	47	6,303	4,704	11,054	
Accumulated depreciation					
1 April 2020	-	1,414	1,302	2,716	
Charge for year	-	93	64	157	
Disposals	-	(22)	(45)	(67)	
31 March 2021	-	1,485	1,321	2,806	
Impairment					
1 April 2020	-	-	317	317	
31 March 2021	-	-	317	317	
Net book value					
31 March 2021	47	4,818	3,066	7,931	
31 March 2020	5	4,788	3,112	7,905	
<u>Other Fixed Assets</u>	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2020	1,222	849	478	201	2,750
Additions	-	-	52	-	52
Disposals	(292)	-	-	(28)	(320)
31 March 2021	930	849	530	173	2,482
Accumulated depreciation					
1 April 2020	337	-	189	138	664
Charge for year	17	17	37	17	88
Disposals	(50)	-	-	(28)	(78)
31 March 2021	304	17	226	127	674
Net book value					
31 March 2021	626	832	304	46	1,808
31 March 2020	885	849	289	63	2,086

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2021
£000

2020
£000

12 Impairment of Housing Assets

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors

Current tenant arrears	86	94
Less provision for bad and doubtful debts	(56)	(47)
Former tenant arrears	2	4
Less provision for bad and doubtful debts	(2)	(4)
Trade debtors	1,790	1,900
Less provision for trade debtors	(28)	(13)
Prepayments and accrued income	624	488
Other debtors	5	8
Amounts due from Group Companies	60	133
	2,481	2,563

14 Creditors: amounts falling due within one year

Trade creditors	265	459
Rent received in advance	36	33
Accruals and deferred income	1,041	1,161
Taxation and social security	-	216
Other creditors	26	25
Pension deficit contributions	1	1
Amounts due to Group Companies	46	106
	1,415	2,001

2021
£000

2020
£000

15 Creditors: amounts falling due after more than one year

Deferred government grants (see note 16)	721	916
Pension deficit contributions	2	3
	723	919

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

16 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2020	916	916
Released to income in the year	(14)	(14)
Disposed in the year	(181)	(181)
At 31 March 2021	721	721

	Opening balance as at 1 April 2020	Additional Commitments made during the year	Provisions reversed during the year	Closing balance as at 31 March 2021
17 Provision for Liabilities				
Leave Pay	107	67	-	174
	107	67	-	174

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

	Balance at 1 April 2020 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2021 £000
18 Unrestricted Funds				
Retained Surpluses	14,212	1,084	-	15,296
	14,212	1,084	-	15,296

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	Balance at 1 April 2020 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2021 £000
19 Restricted Funds				
Propertyfund - NHS	670	-	(17)	653
SEIF Capital Grant	103	-	(3)	100
	773	-	(20)	753

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	753	-	753
Unrestricted Funds	8,986	6,310	15,296
	9,739	6,310	16,049

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2021 **2020**
£000 **£000**

22 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:

EMH Housing & Regeneration Ltd	408	291
--------------------------------	-----	-----

Sales to EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:

East Midlands Housing Group Limited	863	920
EMH Housing & Regeneration Ltd	38	38

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors

East Midlands Housing Group Limited	-	12
EMH Housing & Regeneration Ltd	60	121

Creditors

East Midlands Housing Group Limited	13	76
EMH Housing & Regeneration Ltd	33	30

23 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
24 Notes to the Cash Flow Statement		
Reconciliation of net income / (expenditure) to net cash flow from operating activities:		
Net income for reporting period (as per the statement of financial activities)	1,064	1,441
Adjustments for :		
Depreciation charges	245	298
(Gain) on disposal of assets	(191)	(2)
Interest Receivable	(3)	(17)
Interest Payable	7	22
Deferred government grants	(14)	(13)
Pensions costs less contributions payable	428	(737)
Grant abated	(181)	-
Decrease/(increase) in debtors	82	(904)
(Decrease)/increase in creditors	(586)	49
Increase/(decrease) in provisions	67	(319)
Net cash inflow/(outflow) from operating activities	918	(182)

emh Care and Support Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021



EMH CARE AND SUPPORT LIMITED
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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**EMH CARE AND SUPPORT LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION**

FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES

Jim Holden – Chair

Tim Brown
Vandna Gohil
Patricia McCabe
Margaret Coward

PRINCIPAL BANKER

National Westminster Bank Plc

5 Market Place
Chesterfield
S40 1TJ

AUDITOR

KPMG LLP

One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

SECRETARY AND REGISTERED HEAD OFFICE

Joanne Tilley

Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

emh Care and Support Limited is a company limited by guarantee (Registered Number 2488821) and also a registered charity (Registered Number 1001704).

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who were also the directors, submit their annual report and audited financial statements for the year ended 31 March 2021.

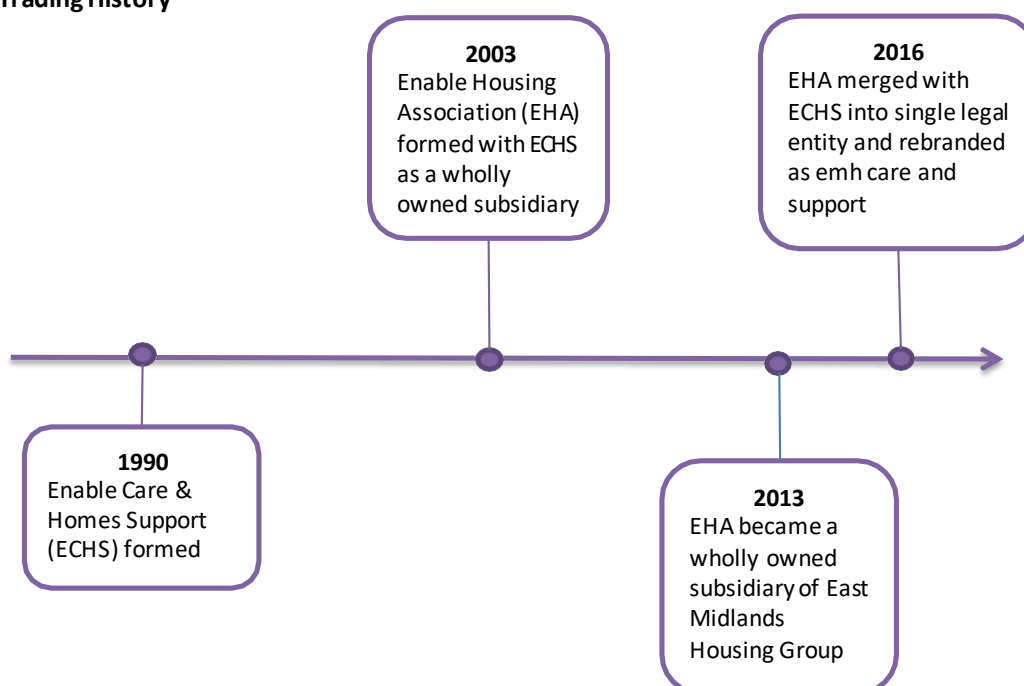
Structure, Governance & Management

Background

emh Care and Support is a company limited by guarantee and a registered charity. The Trustees have paid due regard to the Charity Commission guidance on public benefit reporting in deciding what activities the charity has undertaken this year. The company was incorporated on 4th April 1990. Its principal activities, aims and objectives as stated in the memorandum and articles of association are: -

- ✓ the relief of persons with learning difficulties, or sensory or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) by the provision of accommodation, and other amenities, facilities and services (including but not limited to the provision of care, welfare and nursing services) calculated to alleviate the disabilities and suffering of such persons;
- ✓ to educate the public concerning the provision of housing and care facilities for the benefit of persons suffering from learning difficulties, mobility problems or other disabilities (including but not limited to persons who are physically, mentally or learning disabled or mentally ill or chronically sick or vulnerable or in necessitous circumstances for some other reason) or who are otherwise experiencing poor housing conditions;
- ✓ to undertake or facilitate research in connection with the preceding objects upon terms that such research shall be published.

Trading History



The consolidated accounts for emh group are available on its website www.emhgroup.org.uk.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance & Management (continued)

Committees and Control

The Group Board's role is to set the strategic direction, uphold the values and provide the framework for decision making, performance improvement and standards of customer services. They are our highest decision-making body. Delivery of the Business Plan is delegated to the Trustees and day-to-day leadership is delegated to the Chief Executive and the Executive Management Team.

The following people served as trustees on our Board during the year: -

Trustee	Board Meeting Attendance
Jim Holden	4/4
Tim Brown	4/4
Vandna Gohil	4/4
Patricia McCabe	4/4
Margaret Coward	4/4

Appointment and Training of Trustees

Strong leadership is pivotal to delivering high quality services. Our trustees are carefully selected to bring a diverse range of skills and expertise in the areas that the organisation operates including the broad range of services that we deliver and the people and communities that we serve. Our trustees are subject to an individual annual appraisal. Trustees meet at least four times a year and are committed to continued development. On an annual basis we carry out a review of the effectiveness of our Board and this is independently reviewed every three years.

We have a robust recruitment and induction process for new trustees including spending time with our staff, at our schemes and with our customers in order to gain a full and complete view of the organisations culture, activities and challenges. Trustees are also encouraged to attend external training events to facilitate the undertaking of their role.

The trustees of the company at the year-end are detailed on page 2 of these financial statements. The trustees are also the directors of the company for the purposes of company law. In accordance with the Charities SORP & FRS 102 we disclose all payments made to trustees (no trustees are paid) and expenses reimbursed (no expenses were paid).

Stakeholder Engagement

Customer engagement also plays a vital role in shaping the future of the organisation. We have previously offered a number of ways for our customers and their representatives to be involved in helping us achieve our mission including our Service User Forum.

Unfortunately due to the Covid-19 pandemic the Service User Forum has been unable to engage with others and feedback has been limited. This is a high priority for us and this group will be re-established once allowable to continue their valuable work.

Volunteers

emh care and support are engaged in supporting and delivering a range of volunteering opportunities. Working with members of the public, our paid staff, support people using our services or encourage school and college placements. We provide thousands of volunteer hours per year under normal circumstances however due to the current Covid-19 pandemic those we work with are closed to volunteers. Where possible we have continued to support initiatives and have worked to link service users to activities and information where possible.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Structure, Governance & Management (continued)

Volunteers (continued)

We have maintained links with the various providers of volunteering opportunities including: The National Trust, Brierley Forest Park, Activity Providers, Peak Rail, Matlock Farm Park, Ashfield Council, Staveley Town Council, NDVA, Rock Box, the Eco Centre, Staveley and Bakewell Town Councils, Brightside, Peak Park, Walking for Health, Notts FA and Active Derbyshire and hope to re-establish this commitment once restrictions allow. Staff continue to do as much as possible for our service users and communities especially in the current environment and have been busy delivering Covid secure support across our services including tele befriending during the lockdowns, and linking people up or providing accessible activities and information. They have also developed a digital inclusion project linking people up with devices, learning and support to link with people and activity on line.

Related Parties

Any connection between a trustee or senior manager with a customer or a customer's representative must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. There were no such relationships at the year-end (2020: none).

Corporate Mission and Aims

The organisation strives to **"be the best social housing and care business in the country"**. This is underpinned by our strong corporate values: -

Integrity	We work to the highest ethical standards
Diversity	We respect others for who they are
Openness	We are honest and straightforward
Accountability	We are accountable to and influenced by our customers
Clarity	We are clear about what we are here to do and why
Excellence	We strive to be the best in everything we do

Charitable Activities

Our work predominantly centres on the provision of accommodation, care, support and activities for adults due to illness, disability or old age. We do this in a number of ways: -

Supported Housing

We continue to manage circa 250 units specifically for adults with learning and/or physical disabilities or mental health issues who require support to live independently. We offer a range of accommodation to suit the diverse needs of our customers that can be anything from single occupancy dwellings to 3 or 4 people co-habiting.

We provide support to our customers to maintain their tenancy over and above the basic landlord service. This can include helping customers to pay their rent and other household bills, helping them to manage their finances including access to welfare benefits and helping them to look after their home and request repairs to the property or equipment from their landlord.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Charitable Activities (continued)

Supported Living

We provide care and support to adults with learning and/or physical disabilities or mental health issues to live a happy and fulfilled life. Each person has an individual, tailored package of care and can be anything from a few hours each week to 24-hour care 7 days a week. We currently support over 274 service users, providing around 12,900 hours of care every week.

The care and support we provide is varied and can include help with personal care, domestic tasks, taking part in hobbies and other social activities, meeting friends and family and going out into the community. Our services are regulated by the Care Quality Commission who ensures that we deliver a high quality, safe and compliant service to all of our customers.

Nursing and Care Homes

We own and manage 3 moderately sized nursing homes providing residential accommodation and 24/7 care to our customers. Care is provided by our qualified and skilled nursing and care staff who help our residents with their personal care, nursing and medical needs, social activities both within the home and out in the community. Each home is registered and regulated by the Care Quality Commission and currently has a 'good' rating.

Day Services and Social Enterprise



We manage 4 day centres supporting around 78 customers each week including our own residents and private customers. This number has halved in the current year due to Covid-19 restrictions which meant that we were unable to accept new referrals to our services, however we have continued to support as many existing customers as possible. Despite the challenges which faced us during the pandemic we have continued to support a diverse range of people with a variety of impairments that include people with profound and multiple learning disabilities, communication difficulties and challenging reputations. Working with partners where possible we have strived to

continue to provide support and opportunities to our service users. It is with regret that we were unable to facilitate the extensive community activities and volunteering that we have fulfilled in previous years. Due to the pandemic this was simply not possible however the safety of those we support and our staff has been paramount. We have been disciplined and consistent in our Covid-19 safe systems and service users and their families have remained supportive.

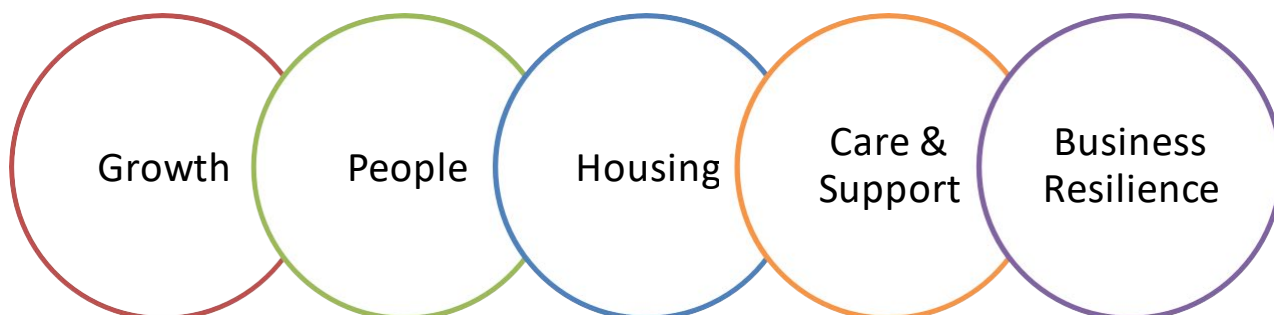
Extra Care

Our extra care schemes provide residential accommodation and support to people aged 55 year and over. Residents live independently in self-contained apartments or bungalows with domestic support, help with personal care and access to communal facilities such as a dining room and activity rooms. We currently provide a combination of Housing and Care support to over 250 units, some owned within the Group and some won on a tender basis.

**EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT**

FOR THE YEAR ENDED 31 MARCH 2021

Future Plans



The Group's latest Strategic Business Plan has been reviewed and updated. The Board, in conjunction with our key stakeholders including our customers and staff have identified 5 key themes which are the golden thread that run through all our objectives and projects and link back to our corporate mission and vision.

Our Care and Support aim is to ***deliver a clear vision and strategy for our Care and Support arm that delivers "outstanding" services to the people that we support.*** Our objectives to deliver this are: -

- ✓ We will expand our care and support services including:
 - Appraising existing services to determine which we are best placed to support going forward;
 - Expanding the range and geography of the services we provide;
 - Working with emh homes to integrate our housing and care services to provide a holistic support solution for customers;
- ✓ We will deliver outstanding care and support services as judged by our regulator and customers;
- ✓ We will actively seek opportunities to diversify our income streams;
- ✓ Actively promote career opportunities in social care to realise a fully recruited team of dedicated staff;

During the year we have continued to make significant progress against our objectives and are proud of our many achievements.

Developing our Services

As per the Care and Support Strategy we have continued to focus on our priorities and ambitions including plans to grow the business and explore innovative solutions to continually improve the care that we provide to our service users.

Working with Leicester City Council we have secured a contract for 14 units of temporary accommodation in Leicester providing housing and support for single and childless couples. This has the potential to be a five-year contract.

We have gained inclusion on to the Leicestershire County Council Supported Living Dynamic Purchasing System list which complements the frameworks we are already part of, including; Lincolnshire and Northamptonshire Frameworks for Community Supported Living; The Commissioning for a Good Life Framework for Specialist Learning Difficulty Services in Northamptonshire and Derbyshire Community Lives Directory which is a Derbyshire County Council framework for the provision of day services.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Future Plans (continued)

Developing our Services (continued)



The delivery of care to older people remains a strategically important part of our service offering and with the growing crisis in older person's services due to longer lifespans, growing population and chronic under-investment from central and local government, we are pleased to continue to be part of the solution.

emh group continues to expand its portfolio of properties for older people and the 5th extra care scheme is due for completion in autumn 2021. The Springfield scheme in Ashby-de-la-Zouch comprises 50 units for affordable rent and 15 for shared ownership. By self-funding this development it has allowed us to ensure that all services are provided in house and to the highest standard.

Regulation

All our services are now rated as good by our regulator, the Care Quality Commission (CQC). The CQC uses the following rating system: -



Outstanding

The service is performing exceptionally well.



Good

The service is performing well and meeting our expectations.



Requires improvement

The service isn't performing as well as it should be and we have told the service how it must improve.



Inadequate

The service is performing badly and we've taken action against the person or organisation that runs it.

During their inspections the CQC seek to answer 5 key questions about the service: -

1. Are they safe? – you are protected from abuse and avoidable harm
2. Are they effective? - your care, treatment and support achieves good outcomes, helps you to maintain quality of life and is based on the best available evidence
3. Are they caring? – staff involve and treat you with compassion, kindness, dignity and respect
4. Are they responsive to people's needs? – services are organised so that they meet your needs
5. Are they well-led? – the leadership, management and governance of the organisation make sure its providing high-quality care that's based around your individual needs, that it encourages learning and innovation, and that it promotes an open and fair culture.

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Regulation (continued)

All of our registered services are now rated good by CQC with the exception of one of the Extra Care Services that has an overall rating of requires improvement.

In 2019-20, we registered three new Extra Care schemes in the Northamptonshire region with CQC. Two are not yet subject to a formal inspection, they are registered services and can be deemed as 'Good' as this is the minimum standard required in order for a service to pass registration with CQC.

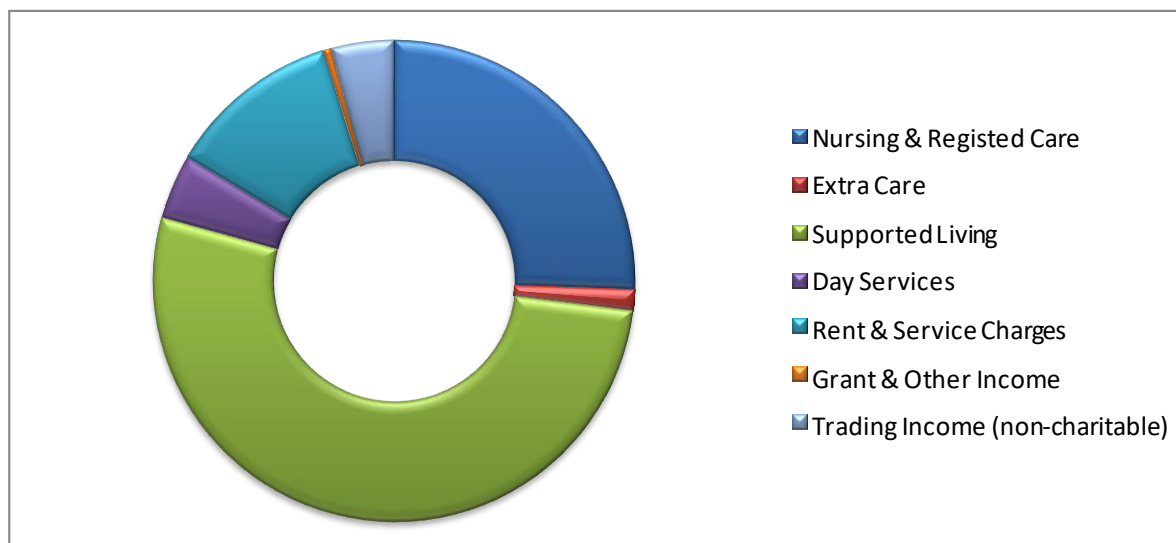
We are in the process of registering a new Extra Care service in Ashby de la Zouch, Leicestershire with CQC in readiness of the opening of this scheme in September 2021.

Financial Review & Reserves Policy

The company generated £18.7m of income during the year, an increase of £1.5m from the prior year. Additional support funding in relation to Covid-19 of £0.5m was received along with net disposal proceeds of £191k following the sale of Hill House. Increased needs of service users and requirements at our nursing homes has further increased the income in year.

96% of our income is generated through our charitable activities. This has reduced from 99% in previous years due to the £0.5m of income received in relation to Covid-19 support which is not deemed to be a charitable activity. As with previous years a small amount of income was generated from non-charitable activities including income from our social enterprise.

All of our income is unrestricted and is used by emh care and support for its general purpose to fulfil its charitable objectives. The chart below shows the main sources of income during the year: -



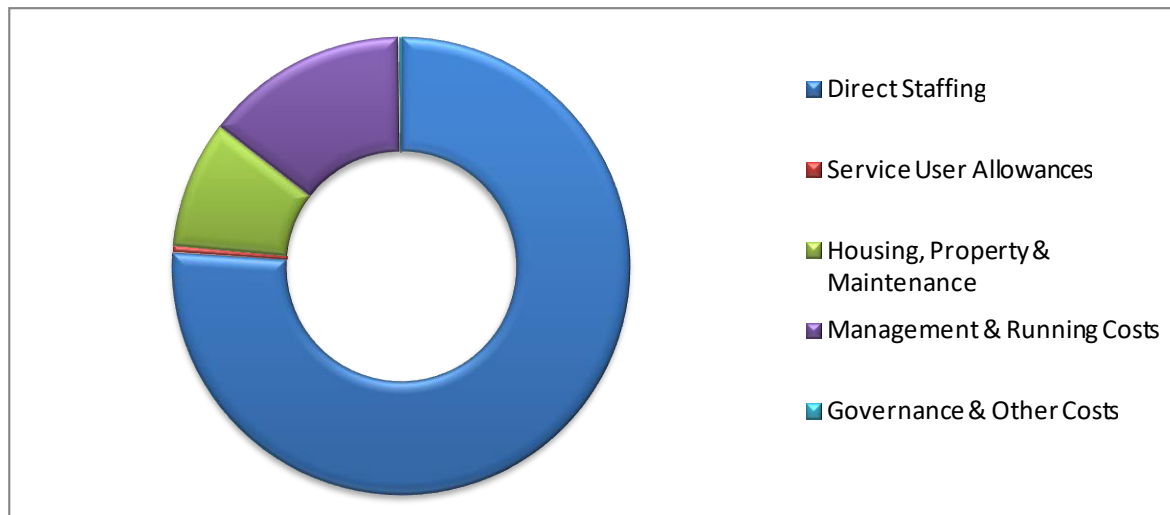
The majority of our income is spent on delivering the services and maintaining our properties. Our largest area of expenditure remains on the nurses, support workers and other staff directly involved in the delivery of front-line services who are the back-bone of our organisation.

**EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT**

FOR THE YEAR ENDED 31 MARCH 2021

Financial Review & Reserves Policy (continued)

Running costs and overheads of £17.1m were incurred in the year, £0.7m higher than in 2020. This includes significant additional costs in relation to the care provided during the Covid-19 pandemic. The chart below shows the main expenditure areas:



We aim to make a small surplus each year to reinvest back into capital maintenance and service improvement initiatives. Our Statement of Financial Activities shows a surplus for the year of £1,064k (2020: £1,441k). This includes an increase in pension liabilities of £559k following the reassessment by the actuary.

Our surplus before pension adjustment was £1,623k (2020: £833k), whilst this shows the continued financial stability of the organisation. The additional income in relation to Covid-19 increased this surplus significantly above the previous year and is not reflective of an ongoing position. Balancing quality services with financial viability continues to be challenge for the organisation and our ultimate aim is for each service area to at least cover its costs. We continue to develop our financial management culture, closely monitor financial performance against budget and explore opportunities to expand the service where it is financially beneficial to do so.

The organisation aims to balance having sufficient reserves to continue to deliver our services in challenging times whilst maximising the resources available for charitable purposes. The trustees consider it prudent to hold in reserve a minimum of 3 months operating expenditure to cover payments to staff, service users and major contracts.

The trustees also accept that there is always an inherent risk that the company could lose a significant contract(s) and consider it prudent to hold in reserve sufficient amounts to cover any redundancy costs that may occur as a result. Consideration has also been taken to cover the possibility that a service becomes unviable due to increased costs and reduced income however may be crucial to those we support. Finally the early replacement of components in our properties requires a prudent approach.

Overall the following amounts are proposed: -

	£000
Monthly working capital	4,250
Protection against loss of contracts	250
Inviabile Service Delivery	250
Replacement Components	<u>250</u>
	<u>5,000</u>

EMH CARE AND SUPPORT LIMITED TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Financial Review & Reserves Policy (continued)

At the end of the financial year the organisation had fixed assets of £9.7m (2020: £10m), net current assets of £8m (2020: £6.4m) and total funds of £16.0m (2020: £15m) indicating that the target has been achieved. Cash balances have increased by £1.1m over the year.

Risk

The main risks and uncertainties faced by the Group are considered by a Risk Panel which includes the Executive Management Team. The Risk Panel reports to the Group Audit Committee. The Board receives a summary of key strategic risks associated with the delivery of the Business Plan based on risk appetite. The Board review and update our risk appetite on an annual basis, ensuring it is aligned with our Risk Strategy.

A comprehensive risk map is used to record risks, assess their likelihood and impact and highlight key controls in place to manage and mitigate risks. It acts as an early warning system and is refreshed at each Risk Panel and Audit Committee meeting. Emerging risks are also captured, closely monitored and escalated onto the risk map as appropriate.

The Care and Support environment is challenging and uncertain with the impacts of COVID19, reduced funding, stronger regulation, the personalisation agenda and safeguarding risks. We believe that we have the control systems in place to identify and mitigate against these risks and have a targeted programme of internal audits. A selection of the key risks faced by the organisation can be found in the consolidated accounts of our parent company; emh group which can be found at www.emhgroup.org.uk.

As with many providers in our sector the current global pandemic has had a significant impact on the services we deliver and how we deliver them. The ever changing landscape has posed a significant risk not only financially and operationally but to staff and service user welfare. We moved quickly to adapt our working practices despite the changing government advice and the low infection rates within our services is testament to this. We were able to access different income streams to support the increasing costs of continuing our valued services however continuation of this funding remains uncertain. As the pandemic continues the landscape is continually monitored and risks identified and mitigated where possible.

We have also remained engaged with ongoing case brought by UNISON for the sleep in pay. The final decision was delivered in March 2021 and deemed that social care staff are not entitled to the national minimum wage for every hour they work, including sleep-in shifts. We have continued to pay for these shifts as previously and ongoing arrangements will be reviewed with the county council.

The Charity has sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the Trustees believe that the Charity is well placed to manage their business risks successfully. The Trustees has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees therefore continue to adopt the going concern basis in preparing these financial statements.

Employment of Disabled People

The company's policy is to give full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Disabled people receive appropriate training to promote their career development within the company. Employees who become disabled are retained in the existing posts where possible or retrained for suitable alternative posts.

EMH CARE AND SUPPORT LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Grants and Donations

During the year the company made no charitable donations (2020: £nil).

The company has no specific grant making policies; however, all grants are considered independently by the Board of Trustees.

Approval

The trustees confirm that they are approving the strategic report in their capacity as the charity's trustees and it is signed on their behalf by: -



[Joanne Tilley \(Sep 17, 2021 16:58 GMT+1\)](#)

JOANNE TILLEY
Secretary
7th September 2021

EMH CARE AND SUPPORT LIMITED
STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT
AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have been required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

On behalf of the Board of Directors

Jim holden

[Jim holden \(Sep 17, 2021 17:11 GMT+1\)](#)

Jim Holden

Chair

7th September 2021

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED
FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of emh Care and Support Limited (“the charitable company”) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the Trustee’s conclusions, we considered the inherent risks to the charitable company’s business model and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Trustee’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Trustee’s assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Trustees and the Audit Committee as to the charitable company’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the charitable company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants / regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that care related income is recorded in the wrong period and may be overstated.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unusual and seldom used accounts.
- Sample testing of care and support income relating to the period prior to 31 March 2021 to determine whether income is recognised in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Charitable company’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related co-operative & community benefit society legislation), distributable profits legislation, taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: GDPR, Health and Safety Legislation and Employment and Social Security Legislation, recognising the regulated nature of the Charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 13, 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 which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

EMH CARE AND SUPPORT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EMH CARE AND SUPPORT LIMITED

FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill,
Snow Hill Queensway
Birmingham
B4 6GH

24 September 2020

EMH CARE AND SUPPORT LIMITED
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 Unrestricted Funds £000	2021 Restricted Funds £000	2021 Total Funds £000	2020 Total Funds £000
Income from :					
Income from Charitable Activities	3	17,923	-	17,923	17,086
Other income	4	791	-	791	139
Total Incoming Resources		18,714	-	18,714	17,225
Resources Expended					
Expenditure on :					
Charitable activities:	3	17,034	20	17,054	16,324
Other Expenditure	5	37	-	37	68
Total Resources Expended		17,071	20	17,091	16,392
Remeasurement of Social Housing Pension Scheme	8	(559)	-	(559)	608
Net incoming resources before transfers		1,084	(20)	1,064	1,441
Net movement in funds		1,084	(20)	1,064	1,441
Funds brought forward at 1 April 2020		14,212	773	14,985	13,544
Funds carried forward at 31 March 2021		15,296	753	16,049	14,985

The results shown above are all derived from continuing activities.

EMH CARE AND SUPPORT LIMITED**BALANCE SHEET**

AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Housing properties	11	7,931	7,905
Other fixed assets	11	1,808	2,086
		9,739	9,991
Current assets			
Trade and other debtors	13	2,481	2,563
Cash and cash equivalents		6,926	5,802
		9,407	8,365
Creditors: amounts falling due within one year	14	(1,415)	(2,001)
Net current assets		7,992	6,364
Total assets less current liabilities		17,731	16,355
Creditors: amounts falling due after more than one year	15	(723)	(919)
Provision for liabilities			
Other provisions	17	(174)	(107)
Pension liability	8	(785)	(344)
Net assets		16,049	14,985
Funds			
Unrestricted	18	15,296	14,212
Restricted	19	753	773
		16,049	14,985

These financial statements were approved by the Board on 7 September 2021 and were signed on its behalf by:



Jim holden (Sep 17, 2021 17:11 GMT+1)

**Jim
Holden**
Chair



Joanne Tilley (Sep 17, 2021 16:58 GMT+1)

**Joanne
Tilley**
Secretary

EMH CARE AND SUPPORT LIMITED

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Net cash inflow/(outflow) from operating activities	24	918	(182)
Cash Flows from Investing Activities			
Interest received		3	17
Purchase of tangible assets		(235)	(837)
Receipts from sale of assets		433	(32)
Cash provided by (used by) Investing Activities		201	(852)
Cash Flows from Financing Activities			
Interest received/(paid)		5	6
Cash provided (used by)/by Financing Activities		5	6
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		1,124	(1,028)
Cash and Cash equivalents at 1 April		5,802	6,830
Cash and Cash equivalents at 31 March		6,926	5,802
	At 1 April 2020 £000	Cash Flows £000	At 31 March 2021 £000
Analysis of Cash and Cash equivalents			
Cash at bank and in hand	5,802	1,124	6,926
Total Cash and Cash equivalents	5,802	1,124	6,926

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Constitution

emh Care and Support Limited is a company limited by guarantee (registered number 2488821). At 31 March 2021, there was 1 member whom on the event of winding up has undertaken to contribute to an amount not exceeding £1. The company is also a registered charity (registered number 1001704).

2 Principal Accounting Policies

The financial statements of the charity are prepared in accordance with Financial Reporting Standard 102 - the applicable financial reporting standard in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice: Accounting and Reporting by Charities Update 2019. The principal accounting policies adopted in the preparation of the financial statements are as follows:

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Charities ultimate parent undertaking, East Midlands Housing Group Limited includes the charity in its consolidated financial statements. The consolidated financial statements of East Midlands Housing Group are available to the public and may be obtained at www.emhgroup.org. In these financial statements, the charity is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Key Management Personnel compensation; and
Related Parties note.

Going Concern

The financial statements have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons.

The Charity prepares a 30 year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2021 by the Board. As well as considering the impact of a number of scenarios on the business plan the Board also adopted a stress testing framework against the base plan. Following the outbreak of Covid-19 the Charity has undertaken a series of further scenario testing including severe but plausible downsides in the worst case assessment.

The board, after reviewing the charity budgets for 2021/22 and the charity's medium term financial position as detailed in the 30-year business plan including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the charity has adequate resources to continue in business for the foreseeable future. In order to reach this conclusion, the Board have considered:

2 Principal Accounting Policies (continued)

Going Concern (continued)

- Staffing costs – budget and business plan scenarios have been modelled to take account of cost increases as a result of staff unable to work and additional agency staff being required;
- Specialist equipment costs - budget and business plan scenarios have also been modelled to take account of cost increases relating to specialist equipment needed such as additional PPE;
- Liquidity – current available cash gives significant headroom for committed spend and other forecast cash flows that arise;

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Resources expended

Expenditure is recognised on an accrual basis as a liability when incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- 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 between the expenditure categories of the SOFA 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.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Principal Accounting Policies (continued)

Housing properties

Costs include the cost of acquiring land and buildings, directly attributable development costs, interest at the average cost of borrowing for the development period and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each component part of housing properties. Land is not depreciated. The estimated useful lives are as follows:-

	years
Structure	50-100
Boilers	15 years
Kitchens	20 years
Windows and doors	30 years
Roofs	50 years
Bathrooms	30 years
Other components	30 years

Leasehold properties are depreciated over the useful lives above, or the length of the lease, whichever is the shorter period.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant changes since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Non component works to existing properties

The amount of expenditure incurred, which relates to an improvement, which is defined as an increase in the net rental stream or the life of a property, has been capitalised. Expenditure incurred on other major repairs, cyclical and day-today repairs to housing properties is charged to the profit and loss account in the period in which it is incurred.

Other tangible fixed assets

Other tangible fixed assets include those assets with an individual value in excess of £1,000.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Office furniture and equipment	10%-33%
Motor vehicles	25%
Housing accommodation furniture and equipment	10%
Freehold office premises	2%

2 Principal Accounting Policies (continued)

Social housing grant

Social housing grant is not specifically addressed under the Charity SORP and instead the Housing SORP is followed. This provides consistency across the Group and is more applicable to the activities carried out by the charity.

Social housing grant is initially recognised at fair value as a long term liability, specifically as deferred grant income and released through the profit and loss as income over the life of the structure of housing properties in accordance with the accrual method applicable to social landlords accounting for housing properties at cost.

On disposal of properties, all associated social housing grant is transferred to the Recycled Capital Grant Fund (RCGF) until the grant is recycled or repaid to reflect the existing obligation under the social housing grant funding regime.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit.

Fixed Assets

The Charities internal controls are designed to identify where the value of property, plant and equipment and work in progress as held on the Statement of Financial Position is more than the lower of cost or net realisable value. Where there is evidence of impairment, fixed assets are written down to the recoverable amount, this is likely to be the value in use of the asset based on its service potential. Where an asset is currently deemed not to be providing service potential to the charity, its recoverable amount is its fair value less costs to sell. The resulting impairment loss is recognised as expenditure in income and expenditure.

2 Principal Accounting Policies (continued)

Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Charity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plans assets is deducted. The Charity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dated approximating to the terms of the Charity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Charity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in surplus.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income.

The Charity participates in The Pensions Trust Social Housing Pension Scheme and the NHS Pension Scheme.

The Pensions Trust Social Housing Pension Scheme

The Social Housing Pension Scheme (SHPS) provides benefits based on final pensionable pay. The assets of the scheme are held separately from the Charity. For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Pensions Trust Social Housing Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

The NHS Pension Scheme

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the member of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Termination benefits

Termination benefits are recognised when the Charity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Principal Accounting Policies (continued)

Reserves

The charity maintains the level of reserves required to fulfil its objectives. The board of trustees monitors reserves at regular board meetings.

Funds

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 above in the notes to the financial statements.

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

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

Debtors

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

Creditors 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 or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary costs for the period of absence.

Financial Instruments

The trust 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.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2 Principal Accounting Policies (continued)

Key Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The recoverability of rent arrears and trade debtors

The estimate for rent arrears and trade debtors relates to the recoverability of the outstanding balances at the reporting date. For rental arrears experience shows that the longer a debt is outstanding the greater the likelihood that the debt will not be recovered in full. Based on this a provision for bad and doubtful arrears debts is estimated based on 50% of the value of current tenant arrears and 100% of former tenant arrears. Trade Debtors are reviewed on an individual balance basis and a provision created for bad and doubtful debts based on the on the age and likely recoverability of the debt.

Impairment of property values

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at a scheme level whose cash income can be separately identified.

Factors taken into consideration in reaching the decision as to whether there are indicators of impairment of housing properties are;

- The development programme
- Government policy, regulation or legislation
- Demand
- Market Value
- Obsolesce

No triggers for impairment have been identified.

Defined benefit pensions liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plan, such estimates are subject to significant uncertainty. Further details are given in Note 8.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
3 Charitable Activities		
<u>Income from Charitable Activities</u>		
Registered care funding	5,047	4,996
Supported living & day care contracts	10,596	9,589
Rental income & service charges	2,186	2,421
Amortised government grant	13	14
Other Charitable Income	81	66
Total Income from Charitable Activities	17,923	17,086
<u>Expenditure on Charitable Activities</u>		
Care staff costs, including training	12,970	12,127
Service user allowances	78	75
Housing costs	934	859
Maintenance costs	369	542
Salaries & management costs	2,148	2,043
Registration fees	12	10
Grants, donations and promotions	-	1
Professional fees	56	101
Depreciation and impairment	226	286
Bad Debts	40	(26)
Other costs	201	295
Total Expenditure on Charitable Activities	17,034	16,313
<u>Restricted Funds</u>		
Depreciation and impairment	12	11
Write offs	8	-
	20	11
4 Other Income		
Fixed asset disposal proceeds	252	7
Fixed asset grant abated	181	-
Fixed asset cost of disposals	(242)	(5)
Gain on disposal of fixed assets	191	2
Interest Received	3	17
Mobility Scheme	-	25
Other Income	597	95
Total Other Income	791	139

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
5 Other Expenditure		
Interest Payable	7	22
Mobility Scheme	-	15
Governance; Professional Fees	30	31
	30	31
Total Other Expenditure	37	68

6 Net Incoming Resources

Surplus of income over expenditure is arrived at after charging:

Depreciation & amortisation	245	298
Auditors remuneration	30	30

7 Staff numbers and costs

The average number of persons employed by the company (including trustees who are not paid employees) during the year, analysed by category, was as follows:

	2021	2020
	Number	Number
Care and support staff	375	358
Office Staff	56	55
Trustees	5	5
	436	418

	2021	2020
	£000	£000
Staff costs for the above persons:		
Wages and salaries	11,413	9,902
Social security costs	941	821
Pension costs	584	533
Termination Benefits	24	56
	12,962	11,312

The Executive Director is employed by the parent company; East Midlands Housing Group Limited.

Details of Group Board Members pay is disclosed within the consolidated accounts of the parent company, East Midlands Housing Group Limited. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits

The company operates two defined benefit pension schemes.

Summary of the movement on pension scheme liabilities for the year ended 31 March 2021

	The Pensions Trust - SHPS	The Pensions Trust - Growth Plan
	£000	
Net liability at 1 April 2020	344	4
Loss/(profit) in the period charged to the profit & loss account	12	(1)
Loss in the period charged to other comprehensive income	559	-
Deficit contribution paid	(130)	-
Net liability at 31 March 2021	785	3

The Pensions Trust - Social Housing Pension Scheme

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 31 March 2018, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	2021 £'000	2020 £'000
Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)		
Fair value of plan assets	4,148	3,720
Present value of defined benefit obligation	(4,933)	(4,064)
Defined benefit (liability)/asset to be recognised	(785)	(344)
Reconciliation of opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	4,064	4,697
Expenses	5	5
Interest expense	96	107
Actuarial losses/(gains) due to scheme experience	(21)	(100)
Actuarial losses/(gains) due to changes in demographic assumptions	18	(42)
Actuarial losses/(gains) due to changes in financial assumptions	885	(491)
Benefits paid and expenses	(114)	(112)
Defined benefit obligation at end of period	4,933	4,064
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at start of period	3,720	3,645
Interest income	89	84
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	323	(25)
Contributions by the employer	130	128
Benefits paid and expenses	(114)	(112)
Fair value of plan assets at end of period	4,148	3,720
The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £412,000.		
Defined benefit costs recognised in statement of comprehensive income (SOCl)		
Expenses	5	5
Net interest expense	7	23
Defined benefit costs recognised in statement of comprehensive income (SoCl)	12	28

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

	2021	2020
	£'000	£'000
Defined benefit costs recognised in other comprehensive income		
Experience on plan assets (excluding amounts included in net interest cost) - gain/(loss)	323	(25)
Experience gains and losses arising on the plan liabilities - (loss)/gain	21	100
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(18)	42
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(885)	491
Total amount recognised in other comprehensive income - (loss)/gain	(559)	608
Assets		
Global Equity	661	544
Absolute Return	229	194
Distressed Opportunities	120	72
Credit Relative Value	131	102
Alternative Risk Premia	156	260
Fund of Hedge Funds	-	2
Emerging Markets Debt	167	113
Risk Sharing	151	126
Insurance-Linked Securities	100	114
Property	86	82
Infrastructure	277	277
Private Debt	99	75
Opportunistic Illiquid Credit	105	90
High Yield	124	-
Opportunistic Credit	114	-
Corporate Bond Fund	245	212
Liquid Credit	50	2
Long Lease Property	81	64
Secured Income	173	141
Liability Driven Investment	1,054	1,234
Net Current Assets	25	16
Total assets	4,148	3,720

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - Social Housing Pension Scheme (continued)

Key Assumptions

	2021	2020
	% per annum	% per annum
Discount Rate	2.14	2.39
Inflation (RPI)	3.30	2.65
Inflation (CPI)	2.85	1.65
Salary Growth	3.85	2.65
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

The Pensions Trust - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8 Employee Benefits (continued)

The Pensions Trust - The Growth Plan (continued)

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11.243m per annum (payable monthly and increasing by 3.0% each year on 1 April)
---------------------------------------	---

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12.945m per annum (payable monthly and increasing by 3.0% each year on 1 April)
From 1 April 2016 to 30 September 2028:	£50.560k per annum (payable monthly and increasing by 3.0% each year on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2021	2020
	£000	£000
<u>Present Value of provision</u>		
Present value of provision at period end	3	4
<u>Reconciliation of opening and closing provisions</u>		
Provision at start of period	4	5
Deficit contribution paid	(1)	(1)
Provision at the end of period	3	4

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
8 Employee Benefits (continued)		

The Pensions Trust - The Growth Plan (continued)

Assumptions

Rate of discount per annum	0.66%	2.53%
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The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield to discount the same recovery plan contributions.

9 Auditors Remuneration

Fees payable to the company's auditor for the audit of the annual accounts	30	30
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10 Taxation

The company is a registered charity and has no trading activities liable to taxation

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed Assets

<u>Housing Assets</u>	Assets in the Course of Construction £000	Housing properties for letting £000	Care and support properties £000	Total £000	
Cost					
1 April 2020	5	6,202	4,731	10,938	
Replacement of Components	42	123	18	183	
Disposals	-	(22)	(45)	(67)	
31 March 2021	47	6,303	4,704	11,054	
Accumulated depreciation					
1 April 2020	-	1,414	1,302	2,716	
Charge for year	-	93	64	157	
Disposals	-	(22)	(45)	(67)	
31 March 2021	-	1,485	1,321	2,806	
Impairment					
1 April 2020	-	-	317	317	
31 March 2021	-	-	317	317	
Net book value					
31 March 2021	47	4,818	3,066	7,931	
31 March 2020	5	4,788	3,112	7,905	
<u>Other Fixed Assets</u>	Freehold Offices £000	Leasehold Offices £000	Fixtures, Fittings and Equipment £000	Plant and Vehicles £000	Total £000
Cost					
1 April 2020	1,222	849	478	201	2,750
Additions	-	-	52	-	52
Disposals	(292)	-	-	(28)	(320)
31 March 2021	930	849	530	173	2,482
Accumulated depreciation					
1 April 2020	337	-	189	138	664
Charge for year	17	17	37	17	88
Disposals	(50)	-	-	(28)	(78)
31 March 2021	304	17	226	127	674
Net book value					
31 March 2021	626	832	304	46	1,808
31 March 2020	885	849	289	63	2,086

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2021 **2020**
£000 **£000**

12 Impairment of Housing Assets

During the year emh Care and Support carried out a desktop review of its property portfolio and identified no triggers for impairment.

13 Debtors

Current tenant arrears	86	94
Less provision for bad and doubtful debts	(56)	(47)
Former tenant arrears	2	4
Less provision for bad and doubtful debts	(2)	(4)
Trade debtors	1,790	1,900
Less provision for trade debtors	(28)	(13)
Prepayments and accrued income	624	488
Other debtors	5	8
Amounts due from Group Companies	60	133
	2,481	2,563

14 Creditors: amounts falling due within one year

Trade creditors	265	459
Rent received in advance	36	33
Accruals and deferred income	1,041	1,161
Taxation and social security	-	216
Other creditors	26	25
Pension deficit contributions	1	1
Amounts due to Group Companies	46	106
	1,415	2,001

2021 **2020**
£000 **£000**

15 Creditors: amounts falling due after more than one year

Deferred government grants (see note 16)	721	916
Pension deficit contributions	2	3
	723	919

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

16 Deferred Government Grants

	Social housing grant £'000	Total £'000
At 1 April 2020	916	916
Released to income in the year	(14)	(14)
Disposed in the year	(181)	(181)
At 31 March 2021	721	721

	Opening balance as at 1 April 2020	Additional Commitments made during the year	Provisions reversed during the year	Closing balance as at 31 March 2021
17 Provision for Liabilities				
Leave Pay	107	67	-	174
	107	67	-	174

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

	Balance at 1 April 2020 £000	Incoming Resources £000	Transfers £000	Balance at 31 March 2021 £000
18 Unrestricted Funds				
Retained Surpluses	14,212	1,084	-	15,296
	14,212	1,084	-	15,296

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	Balance at 1 April 2020 £000	Incoming Resources £000	Outgoing Resources £000	Balance at 31 March 2021 £000
19 Restricted Funds				
Propertyfund - NHS	670	-	(17)	653
SEIF Capital Grant	103	-	(3)	100
	773	-	(20)	753

20 Analysis of Net Assets between Funds

	Tangible Fixed Assets £000	Net Current Assets £000	Total £000
Restricted Funds	753	-	753
Unrestricted Funds	8,986	6,310	15,296
	9,739	6,310	16,049

21 Contingent Liabilities

At 31 March 1999, freehold properties worth a total of £1,432,250 were transferred by the Secretary of State for Health to the company. This value has been reflected as a donation in these financial statements. If following transfer, the use of any of these properties ceases to be the provision of residential and nursing care support and accommodation to the local public or the company decides to sell the property, then the company would be liable to pay back to the Secretary of State for Health an amount equal to the value at which the transfer at 31 March 1999 was made. The Secretary of State for Health has first option to purchase these properties.

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2021 **2020**
£000 **£000**

22 Related party transactions

During the year emh Care and Support had the following intercompany recharge transactions with non-regulated entities within the emh group.

Sales to:

EMH Housing & Regeneration Ltd	408	291
--------------------------------	-----	-----

Sales to EMH Housing & Regeneration are management charges for care and support services. These charges are made at cost.

Purchases from:

East Midlands Housing Group Limited	863	920
EMH Housing & Regeneration Ltd	38	38

Purchases from East Midlands Housing Group are management charges for centrally supplied services (including Finance, ICT, HR). These charges are made at cost plus an appropriate margin. Purchases from EMH Housing & Regeneration are management charges for housing services and day-care services. These charges are made at an arm's length commercial rate.

At the end of the year emh Care and Support had the following intercompany balances with non-regulated entities within the emh group.

Debtors

East Midlands Housing Group Limited	-	12
EMH Housing & Regeneration Ltd	60	121

Creditors

East Midlands Housing Group Limited	13	76
EMH Housing & Regeneration Ltd	33	30

23 Ultimate Control

Ultimate control of the charity lies with the trustees and with East Midlands Housing Group who are responsible for the charity's affairs. The consolidated financial statements of East Midlands Housing Group are available at www.emhgroup.org.uk

EMH CARE AND SUPPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£000	£000
24 Notes to the Cash Flow Statement		
Reconciliation of net income / (expenditure) to net cash flow from operating activities:		
Net income for reporting period (as per the statement of financial activities)	1,064	1,441
Adjustments for :		
Depreciation charges	245	298
(Gain) on disposal of assets	(191)	(2)
Interest Receivable	(3)	(17)
Interest Payable	7	22
Deferred government grants	(14)	(13)
Pensions costs less contributions payable	428	(737)
Grant abated	(181)	-
Decrease/(increase) in debtors	82	(904)
(Decrease)/increase in creditors	(586)	49
Increase/(decrease) in provisions	67	(319)
Net cash inflow/(outflow) from operating activities	918	(182)



Care and Support

Memorial House
Whitwick Business Park
Stenson Road
Coalville
Leicestershire
LE67 4JP

T 01530 276000

E careandsupport@emh.co.uk
www.emh.co.uk

Sarah Brown
KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

7 September 2021

Dear Sarah

This representation letter is provided in connection with your audit of the financial statements of Emh Care and Support Limited ("the charitable company"), for the year ended 31 March 2021, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Company's affairs as at year end and of the Company's profit or loss for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102")); and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

These financial statements comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 8 February 2021 for the preparation of financial statements that:
 - i. give a true and fair view of the state of the Charitable Company's affairs as at the end of its financial year and of its profit or loss for that financial year;

- ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including FRS 102); and
- iii. have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which section 32 of FRS 102 requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

Information provided

5. The Board has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Board for the purpose of the audit; and
 - unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Board confirms the following:
 - i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.



Care and Support

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Stenson Road
Coalville
Leicestershire
LE67 4JP

T 01530 276000

E careandsupport@emh.co.uk
www.emh.co.uk

- ii) The Board has disclosed to you all information in relation to:
- a) Fraud or suspected fraud that it is aware of and that affects the Company and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the Charitable Company's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with section 21 of FRS 102 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Board has disclosed to you the identity of the Charitable Company's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with section 33 of FRS 102.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in FRS 102.

11. The Board confirms that:
 - a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Company's ability to continue as a going concern as required to provide a true and fair view and to comply with FRS 102.
 - b) No material events or conditions exist that may cast significant doubt on the ability of the Company to continue as a going concern.



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12. On the basis of the process established by the Board and having made appropriate enquiries, the Board is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and in accordance with the requirements of section 28 of FRS 102.

The Board further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,have been identified and properly accounted for; and
- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Board of Trustees on 7 September 2021.

Yours faithfully

Jim holden

[Jim holden \(Sep 17, 2021 17:11 GMT+1\)](#)

Chair of Trustees

Appendix to the Board Representation Letter of Emh Care and Support Limited: Definitions

Criteria for applying the disclosure exemptions within FRS 102

- The Charitable Company discloses in the notes to its financial statements:
 - a) A brief narrative summary of the disclosure exemptions adopted; and
 - b) The name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained

Financial Statements

A complete set of financial statements (before taking advantage of any of the FRS 102 exemptions) comprises:

- *a Balance Sheet as at the end of the period;*
- *a Profit and Loss account for the period;*
- *a statement of other comprehensive income for the period;*
- *a statement of changes in equity for the period;*
- *a cash flow statement for the period*
- *notes, comprising a summary of significant accounting policies and other explanatory information.*

FRS 102 permits an entity either to present (i) separately a Profit and Loss account and a Statement of Other Comprehensive Income or (ii) a combined Profit and Loss Account and Other Comprehensive Income.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

FRS 102 states that:

Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Qualifying Entity

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation by means of full consolidation.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 102 as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions apply:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled, or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.