

COMPANY REGISTRATION NUMBER: 05296681
CHARITY REGISTRATION NUMBER: 1113970

Real Care Ltd
Company Limited by Guarantee
Financial Statements
31 August 2023

STEPHENSON COATES AUDIT LIMITED

Chartered accountants & statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Real Care Ltd
Company Limited by Guarantee
Financial Statements
Year ended 31 August 2023

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Real Care Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 August 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2023.

Reference and administrative details

Registered charity name	Real Care Ltd
Other name which the charity uses	Learning for Life
Charity registration number	1113970
Company registration number	05296681
Principal office and registered office	Learning for Life Herbert Street Consett County Durham DH8 6AE

The trustees

V Armstrong (Resigned 14 November 2023)
M Barker
D Harrop
L McNally
C Rogers
G Stringer
A Timothy

Company Secretary G Waugh

Chief Operating Office (Principal & Head of Services) Marie Matthewson

Auditor Stephenson Coates Audit Limited
Chartered accountants & statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Bankers Barclays Bank UK plc
Leicester
LE87 2BB

Real Care Ltd

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Trustees' Annual Report (Incorporating the Directors' Report) (continued)

Year ended 31 August 2023

Structure, governance and management

Real Care Ltd is a company limited by guarantee, governed by its Memorandum and Articles of Association. The charitable company was incorporated on 25th November 2004 with registration number 05296681. It has been registered as a charity with the Charity Commission, number 1113970 since 2nd May 2006. There are currently six members, each of whom agree to contribute £1 in the event of the charitable company winding up.

The Memorandum and Articles of Association allows for a Council of between two and ten trustees to administer the company.

The Directors of the company are also the Trustees for the purpose of Charity Law and are known collectively as the Board of Directors. The Board of Directors meet on a regular basis and are responsible for the strategic direction and policy of the charity.

All members of the Board of Directors give their time voluntarily and receive no benefits from the Charity.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operation's finances, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Decision making arrangements

A line management system is in place with day to day responsibility for the management of the organisation resting with the Chief Operating Officer (Principal). The Chief Operating Officer is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. Day to day operational management is headed by individual team members using the reporting structures and line management to finally report to the Chief Operating Officer and trustees.

Induction and training of Trustees

The charity may by ordinary resolution appoint a person who is willing to act to be a director. All new directors receive a welcome pack, which contains key policies, strategic plans, code of conduct etc. They also receive induction time with the Principal and opportunities to visit services and activities as well as access to any relevant training.

Arrangements for setting pay and remuneration

Pay and remuneration is reviewed annually, usually at the same time as minimum wage becomes effective. The Senior Management Team prepare a schedule of recommendation for the Board to review and instruct upon. This will be agreed and recorded at the Board Meeting before any pay rates are communicated or changed.

Objectives and activities

Real Care Ltd (operating as *Learning for Life*) is a North East provider of services for children Post-16 and adults who have a diverse range of disabilities based across two sites in Consett, County Durham and The John Marley Centre, Newcastle upon Tyne.

The charitable company's objects are to advance and support the Post-19 education of pupils from special schools within the North East region, their families and wider communities by:

- Providing post-secondary, non-tertiary education and care for young people with profound and multiple learning difficulties;
- Providing a stimulating and effective learning environment (Learning for Life) for all young people, including those experiencing more profound and multiple learning and physical difficulties;
- Providing a care and support facility which provides a nurturing environment for young people with more profound disabilities and involvement in the wider community;
- Developing further provision as young people progress into work and independent living.

The trustees are satisfied that in accordance with the Charity Commission guidelines, Real Care Ltd meet the public benefit requirements. The trustees have regard to this guidance when exercising any powers or duties to which the guidance is relevant.

Our ethos is to provide a personalised approach to learning which encourages: building confidence, enabling communication, fulfilling aspirations and promoting individual choice. Learning for Life aims to be a leading local provider of specialist education and social care, where our learners are given the most enriching and rewarding experience possible.

Real Care Ltd

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 August 2023

Achievements and performance

In September 2022, Learning for Life significantly expanded its service offerings in Education and Social Care with the inauguration of a new facility at the John Marley Centre in Newcastle. This strategic move involved consolidating our education services previously located at Disability North in Gosforth, allowing us to seamlessly provide both education and social care from a single site, thereby extending our exceptional provision to the wider Newcastle area. This mirrors the success of our existing provision in Consett, County Durham.

This marked our inaugural year as a Special Post 16 Institution under the governance of the Education and Skills Funding Agency (ESFA). Notably, our education department achieved remarkable success, surpassing expectations with learners attaining educational qualifications and results that exceeded projections.

Our Consett-based facility, offering Education and Social Care, continued to strengthen partnerships with the local community. Special recognition goes to Consett Rotary Club for their generous donations, enabling the acquisition of specialised sensory equipment.

Throughout this period, we undertook exciting new projects, thanks to grant funding from esteemed organisations such as Lloyds, Lycetts, Meldrum Construction, and the Newcastle City Council Make your Mark fund. These entities consistently champion our vision and mission, contributing significantly to our ongoing success.

We remain dedicated to fulfilling our core objectives, collaborating with Durham County Council, Newcastle City Council, and various local authorities and voluntary fundraisers to secure additional funding for activities and resources.

Financial review

Total income for the financial year was £1,297,427 (period ended 31.08.2022: £688,572) and total expenditure was £1,149,437 (2022: £616,966). The accounts therefore show a surplus for the year amounting to £147,990 (2022: £71,606). Unrestricted reserves at 31 August 2023 were £805,869 (2022: £660,539) and restricted reserves were £3,160 (2022: £500). The unrestricted reserves will enable the charity to maintain services in times ahead. The restricted reserves are ring fenced from operational funds and can only be used for the intention that the grant was made.

The Charity now has no external debt financing following the repayment of a Bounce back loan on 30th November 2023 (as at 31 August 2023: £28,333).

Unlike many Charities which are primarily dependant on fundraising to operate, most of Real Care Ltd's income is generated from learner placements. Any grant funding which can positively benefit and impact upon our learners, or for the benefit of the Charity, will be applied for.

Reserves policy and Going Concern

Our Trustees diligently review the Charitable Company's reserves requirement, aligning with guidelines from the Charity Commission for England and Wales. In this process, the Trustees considered expenditure commitments, income flows, and the reliability and timing of funds. Factors such as future needs, opportunities, contingencies, and risks were thoroughly analysed and assessed.

On an annual basis, the Trustees establish the working capital requirement for the Charitable Company, ensuring operational alignment with the reserves policy and guidelines. As a charitable company limited by guarantee, the Charitable Company is committed to accumulating reserves. Measures have been implemented to bolster revenue streams, extending our services into 2024.

The trustees aim to maintain free reserves in unrestricted funds at a level which is no lower than three months of total charitable expenditure. It is estimated that this expenditure currently equates to £287,359 (2022: £229,324). At this level of unrestricted reserves, the charity could maintain all operations for more than three months even if no income was being generated. Current free reserves, after adjusting for fixed assets and restricted funds, amount to £440,025 (2022: £263,658).

The charity enjoys good liquidity and has no issues meeting its liabilities when they fall due. The trustees are confident that the charity will continue to operate for at least the next twelve months.

Real Care Ltd

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Trustees' Annual Report (Incorporating the Directors' Report) (continued)

Year ended 31 August 2023

Plans for future periods

Funding from Consett Rotary Club (support by Kids Out), and Durham Valley Partnership Sensory Sound will result in the procurement of cutting-edge Augmented Reality/Virtual Reality (ARVR) equipment, greatly enhancing the learning experience for all program participants.

Our focus is to continue to cultivate partnerships with professionals, local authorities, education and social care providers, and existing stakeholders such as Lycetts, Newcastle United, Lloyds, NELEP, Consett Rotary Club and many others, to develop and enhance the organisation further. By collaborating closely with the local community and stakeholders, our aim is to emphasize the invaluable contributions made by all those attending Learning for Life in our diverse society.

Our strategic objectives for the next three years focus on creating confidence, competence, and a plan for the future.

The Board aims to:

1. Continuously Improve Provision Quality:
 - Develop a defined teaching and learning approach aligned with core values.
 - Implement a clear provision improvement plan, fostering a culture of continuous improvement.
2. Ensure Financial Viability and Sustainability:
 - Maximize resources for growth through efficient business arrangements.
 - Balance budgets while enhancing the quality of provision and exploring additional funding streams.
3. Build an Effective Provision Improvement Team:
 - Attract and retain talent, supporting career development.
 - Implement a talent management strategy and develop a model of organisational improvement.
4. Ensure Effective Leadership and Governance:
 - Actively recruit skilled Trustees to enhance governance.
 - Embed risk management, strategic focus, and provision improvement in governance structures.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

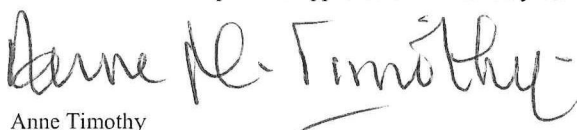
Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report was approved on 11th January 2024 and signed on behalf of the board of trustees by:



Anne Timothy
Trustee

Real Care Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Real Care Ltd

Year ended 31 August 2023

Opinion

We have audited the financial statements of Real Care Ltd (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Real Care Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Real Care Ltd (continued)

Year ended 31 August 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Real Care Ltd

Company Limited by Guarantee

Independent Auditor's Report to the Members of Real Care Ltd *(continued)*

Year ended 31 August 2023

Auditor's responsibilities for the audit of the financial statements *(continued)*

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011, UK taxation legislation and Ofsted. The company is subject to 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. We identified the following areas as those most likely to have such an effect: Safeguarding, Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

The financial statements of the charitable company for the period ended 31 August 2022, forming the comparative figures in the financial statements, were not audited because the charitable company was below the audit threshold. An independent examination was performed.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Oswald BA FCA
Senior Statutory Auditor
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD
Date: 11th January 2024

Real Care Ltd

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2023

		Unrestricted funds £	Restricted funds £	Total year ended 31 August 2023 £	Total period ended to 31 August 2022 £
	Note				
Income and endowments					
Donations, grants & legacies	5	34,232	48,261	82,493	109,006
Charitable activities	6	1,200,541	-	1,200,541	579,503
Other charitable trading activities		14,027	-	14,027	-
Investment income		366	-	366	63
Total income		<u>1,249,166</u>	<u>48,261</u>	<u>1,297,427</u>	<u>688,572</u>
Expenditure					
Charitable activities	7	1,124,380	25,057	1,149,437	616,966
Total expenditure		<u>1,124,380</u>	<u>25,057</u>	<u>1,149,437</u>	<u>616,966</u>
Net income		<u>124,786</u>	<u>23,204</u>	<u>147,990</u>	<u>71,606</u>
Transfers between funds		20,544	(20,544)	-	-
Net movement in funds		<u>145,330</u>	<u>2,660</u>	<u>147,990</u>	<u>71,606</u>
Reconciliation of funds					
Total funds brought forward	17	660,539	500	661,039	589,433
Total funds carried forward	17	<u>805,869</u>	<u>3,160</u>	<u>809,029</u>	<u>661,039</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 11 - 20 form part of these financial statements.

Real Care Ltd

Company Limited by Guarantee

Statement of Financial Position

Year ended 31 August 2023

		2023	2022
		£	£
Fixed assets			
Tangible fixed assets	12	365,844	396,881
Current assets			
Debtors	13	79,897	50,358
Cash at bank and in hand		509,655	423,494
		<u>589,552</u>	<u>473,852</u>
Creditors: amounts falling due within one year	14	<u>146,367</u>	<u>181,361</u>
Net current assets		<u>443,185</u>	<u>292,491</u>
Total assets less current liabilities		<u>809,029</u>	<u>689,372</u>
Creditors: amounts falling due after more than one year	15	-	28,333
Net assets		<u><u>809,029</u></u>	<u><u>661,039</u></u>
Funds of the charity			
Restricted funds		3,160	500
Unrestricted funds		805,869	660,539
Total charity funds	17	<u><u>809,029</u></u>	<u><u>661,039</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 11th January 2024, and are signed on behalf of the board by:



Anne Timothy
Trustee

Charity registration number 1113970
Company registration number 05296681

The notes on pages 11 - 20 form part of these financial statements.

Real Care Ltd

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2023

	Total year ended 31 August 2023 £	Total period ended to 31 August 2022 £
Cash flows from operating activities		
Net income	147,990	71,606
<i>Adjustments for:</i>		
Interest income	(365)	(63)
Depreciation	31,037	21,004
Eliminated on disposals	-	1,300
<i>Changes in:</i>		
Trade and other debtors	(29,538)	57,493
Trade and other creditors	(53,328)	(33,808)
Cash generated from operations	95,796	117,532
Net cash from operating activities	95,796	117,532
Cash flows from investing activities		
Payments for the acquisition of fixed asset	-	(45,693)
Investment income	365	63
Net cash used in investing activities	365	(45,630)
Cash flows from financing activities		
Repayments of borrowings	(10,000)	(6,667)
Net cash used in financing activities	(10,000)	(6,667)
Net increase in cash and cash equivalents	86,161	65,235
Cash and cash equivalents at beginning of year	423,494	358,259
Cash and cash equivalents at end of year	509,655	423,494

The notes on pages 11 - 20 form part of these financial statements.

Real Care Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2023

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Learning For Life, Herbert Street, Consett, County Durham, England, DH8 6AE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Companies Act 2006 and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Real Care Ltd meets the definition of a public benefit entity under FRS 102.

Going concern

The directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key sources of estimation uncertainty to report that have a significant risk of causing a material adjustment to the financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Real Care Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2023

3. Accounting policies (*continued*)

Income (*continued*)

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

Income received in advance for a future fundraising event or for a grant received relating to the following year are deferred until the criteria for income recognition are met.

All income is derived from services and activities carried out in the UK.

Voluntary income is accounted for as received by the company.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Improvements to property	20% on cost and lease term
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	15% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Taxation

The Charity is exempt from Corporation Tax because all of its profits from trading are used for charitable purposes.

Real Care Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2023

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

The charity initially recognises and measures concessionary loans at the amounts received. The carrying amount is adjusted in subsequent years to reflect repayments and any accrued interest.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Comparative figures

The prior year figures are presented as a short period of 8 months (1 Jan 2022 – 31 August 2022).

4. Limited by guarantee

Real Care Ltd is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Real Care Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2023

5. Donations, legacies and Grants

	Unrestricted Funds £	Restricted Funds £	Total year ended 31 August 2023 £
Donations	10,482	14,000	24,482
Grants			
Lloyds Bank	23,750	—	23,750
William Trust	—	10,000	10,000
Sensory Sound and Vision	—	9,986	9,986
Make Your Mark Fund	—	4,000	4,000
Volunteer Support	—	3,116	3,116
Outdoor Farm	—	2,965	2,965
Jubilee	—	2,733	2,733
Other (< £2,000)	—	1,461	1,461
	<u>34,232</u>	<u>48,261</u>	<u>82,493</u>

	Unrestricted Funds £	Restricted Funds £	Total period ended 31 August 2022 £
Donations	3,848	—	3,848
Grants			
CAF	46,789	—	46,789
Covid Assistance	27,851	—	27,851
WWW Project	—	2,741	2,741
Employability	—	2,447	2,447
Bruce Wake	—	2,000	2,000
Closomat	—	5,000	5,000
Jubilee	—	6,767	6,767
Outdoor Farm	—	7,035	7,035
Other (< £2,000)	1,790	2,738	4,528
	<u>80,278</u>	<u>28,728</u>	<u>109,006</u>

Real Care Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2023

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total year ended 31 August 2023 £
Education	643,280	—	643,280
Social Care	557,261	—	557,261
Catering	—	—	—
	<u>1,200,541</u>	<u>—</u>	<u>1,200,541</u>

	Unrestricted Funds £	Restricted Funds £	Total period ended 31 August 2022 £
Education	255,918	—	255,918
Social Care	321,058	—	321,058
Catering	2,527	—	2,527
	<u>579,503</u>	<u>—</u>	<u>579,503</u>

7. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total year ended 31 August 2023 £	Total period ended 31 August 2022 £
Staff and related costs	856,272	—	856,272	498,852
Rent & rates	43,101	—	43,101	12,803
Light & heat	7,959	—	7,959	4,116
Training	4,284	—	4,284	7,171
Telephone	3,959	—	3,959	1,037
Postage & Stationary	7,797	—	7,797	3,350
Advertising	745	—	745	79
Transport	6,473	—	6,473	2,983
Repairs & maintenance	25,130	9,836	34,966	24,077
Student activities	34,637	13,721	48,357	11,911
Subscriptions	4,948	—	4,948	1,948
Insurance	11,749	—	11,749	7,008
Operating leases	768	—	768	2,028
Sundry expenses	5,267	—	5,267	5,066
Bank loan interest	742	—	742	700
Bank charges	697	—	697	481
Depreciation	23,277	—	23,277	21,005
Loss on sale of tangible fixed assets	—	—	—	799
Support costs (Note 8)	82,075	1,500	83,575	6,116
Governance costs (Note 8)	4,500	—	4,500	5,436
	<u>1,124,380</u>	<u>25,057</u>	<u>1,149,437</u>	<u>616,966</u>

Real Care Ltd

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2023

7. Expenditure on charitable activities (*continued*)

	Education	Social Care	Total year ended 31 August 2023	Total period ended 31 August 2022
	£	£	£	£
Staff and related costs	411,899	444,374	856,273	498,852
Rent & rates	15,550	27,551	43,101	12,803
Light & heat	—	7,959	7,959	4,116
Training	893	3,391	4,284	7,171
Telephone	2,273	1,686	3,959	1,037
Postage & Stationary	4,549	3,248	7,797	3,350
Advertising	—	745	745	79
Transport	4,232	2,241	6,473	2,983
Repairs & maintenance	9,427	25,539	34,966	24,077
Student activities	12,299	36,059	48,358	11,911
Subscriptions	4,277	671	4,948	1,948
Insurance	4,843	6,905	11,748	7,008
Operating leases	—	768	768	2,028
Sundry expenses	535	4,732	5,267	5,066
Bank loan interest	422	320	742	700
Bank charges	275	422	697	481
Depreciation	11,639	11,639	23,278	21,005
Loss on sale of tangible fixed assets	—	—	—	799
Support costs (Note 8)	41,787	41,787	83,574	6,116
Governance costs (Note 8)	2,250	2,250	4,500	5,436
	527,150	622,287	1,149,437	616,966

8. Support and governance costs

The charity identifies the costs of its support functions. Costs are identified specifically for the governance function. Having identified its governance costs the remaining support costs together with the governance costs are apportioned between Education and Social Care. The table below sets out the basis of apportionment and the analysis of support and governance costs.

	Basis	Support	Governance	Total year ended 31 August 2023	Total period ended 31 August 2022
		£	£	£	£
Staff and related costs	<i>Time</i>	53,027	-	53,027	-
Rent & rates	<i>Time</i>	14,367	-	14,367	-
Light & heat	<i>Time</i>	2,653	-	2,653	-
Professional fees	<i>Support</i>	5,769	-	5,769	6,116
Audit & accountancy fees	<i>Governance</i>	-	4,500	4,500	5,436
Depreciation	<i>Time</i>	7,759	-	7,759	-
		83,575	4,500	88,075	11,552

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Notes to the Financial Statements

Year ended 31 August 2023

9. Net incoming resources for the year

Net incoming resources are stated after charging:

	Total year ended 31 August 2023 £	Total period ended 31 August 2022 £
Auditor's remuneration:		
<i>Audit of the financial statements</i>	3,500	-
<i>Other accounting services</i>	1,000	-
Independent examiner's fee	-	3,000
Operating lease rentals - equipment	768	2,028
Depreciation	31,037	21,004

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Total year ended 31 August 2023 £	Total period ended 31 August 2022 £
Wages and salaries	758,221	469,630
Social security costs	40,412	22,950
Employer contributions to pension plans	10,914	6,272
	<u>809,547</u>	<u>498,852</u>

The average head count of employees during the year was 51 (2022: 45).

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

Key management personnel are considered to be the Trustees and senior management team (comprising the Chief Operating Office / Principal, Finance Director, Finance Manager, Education Manager, Social Care Manager and HR Manager). Total remuneration costs relating to Key Management Personnel was £212,107 (2022: £144,423).

11. Trustee remuneration, benefits and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. £Nil (2022: £Nil) was paid to trustees to cover expenses.

Real Care Ltd

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Notes to the Financial Statements

Year ended 31 August 2023

12. Tangible fixed assets

	Improvements to Property	Fixtures and Fittings	Motor Vehicles	Computer Equipment	Totals
Cost	£	£	£	£	£
At 1 September 2022	410,720	88,172	19,820	38,411	557,123
Additions	—	—	—	—	—
Disposals	—	—	—	—	—
At 31 August 2023	410,720	88,172	19,820	38,411	557,123
Depreciation					
At 1 September 2022	79,690	60,037	1,652	18,863	160,242
Charge for the year	17,500	5,631	4,955	2,951	31,037
Eliminated on disposal	—	—	—	—	—
At 31 August 2023	97,190	65,668	6,607	21,814	191,279
Net Book Value					
At 31 August 2023	313,530	22,504	13,213	16,597	365,844
At 31 August 2022	331,030	28,135	18,168	19,548	396,881

13. Debtors

	2023	2022
	£	£
Trade debtors	58,429	36,657
Other debtors	21,468	13,701
	<u>79,897</u>	<u>50,358</u>

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	28,333	10,000
Trade creditors	22,418	32,071
Social security and other taxes	11,331	10,416
Other creditors	84,285	128,874
	<u>146,367</u>	<u>181,361</u>

Included within other creditors is an amount of £53,588 (2022: £102,320) relating to deferred grants where funding has been received and not all conditions have been met. The amount of £77,945 has been released to the SOFA from the previous accounting period and grant income totalling £53,588 has been deferred at the end of the current financial year.

Real Care Ltd

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Notes to the Financial Statements

Year ended 31 August 2023

15. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	-	28,333

Included in creditors due over 1 year is an amount of £Nil (2022: £28,333) due for repayment in 2 - 5 years.

16. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £10,914 (2022: £6,272).

17. Analysis of charitable funds

Year ended 31 August 2023:

	At 1 September 2022	Income	Expenditure	Transfers	At 31 August 2023
	£	£	£	£	£
Unrestricted funds					
General funds	660,539	1,249,166	(1,124,380)	20,544	805,869
Restricted funds					
Social Care	500	44,261	(24,217)	(20,544)	-
Education	-	4,000	(840)	-	3,160
	500	48,261	(25,057)	(20,544)	3,160
Total funds	661,039	1,297,427	(1,149,437)	-	809,029

Comparatives for the period ended 31 August 2022:

	At 1 Jan 2022	Income	Expenditure	Transfers	At 31 August 2022
	£	£	£	£	£
Unrestricted funds					
General funds	589,433	659,844	(600,205)	11,467	660,539
Restricted funds					
Social Care	-	28,728	(16,761)	(11,467)	500
Education	-	-	-	-	-
	-	28,728	(16,761)	(11,467)	500
Total funds	589,433	688,572	(616,966)	-	661,039

Real Care Ltd

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Notes to the Financial Statements

Year ended 31 August 2023

18. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Tangible fixed assets	365,844	—	365,844	396,881
Current assets	586,392	3,160	589,552	473,852
Creditors < 1 year	(146,367)	—	(146,367)	(181,361)
Creditors > 1 year	—	—	—	(28,333)
Net assets	805,869	3,160	809,029	661,039

19. Related parties

During the year there were no related party transactions (2022: None).

20. Lease commitments

Total future minimum lease payments under non-cancellable operating leases:

	2023	2022
	£	£
Due not later than one year	20,028	48,433
Due later than one year and not later than five years	-	10,563

21. Post balance sheet events

On 30 November 2023, the charity repaid the outstanding loan balance, at which date was £25,833.