

Charity registration number 1113970

Company registration number 05296681 (England and Wales)

REAL CARE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

REAL CARE LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Timothy - Chair	
	R Brown	(Appointed 18 October 2024)
	T Devereux	(Appointed 18 October 2024)
	M Barker	
	D Harrop	
	L McNally	
	G Stringer	
Secretary	G Waugh	
Senior management	M Matthewson	Chief operating officer
Charity number	1113970	
Company number	05296681	
Registered office	Learning for Life Herbert Street Consett County Durham DH8 6AE	
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ	

REAL CARE LTD

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REAL CARE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

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-16 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.

Achievements and performance

Achievements in Education

2024 has been a year of excellent progress for Real Care Ltd, operating as Learning for Life. Our educational services delivered impressive outcomes, with learners achieving results that surpassed expectations. We also had the privilege of hosting a successful Ofsted monitoring visit, which commended our commitment to high-quality post-16 education. We also had a successful ESFA Audit.

Social Care Highlights

Our collaboration with Durham County Council and Newcastle City Council was further strengthened through highly successful visits that showcased the quality of our Social Care provision. These recognitions underline the dedication and professionalism of our teams in creating a nurturing and supportive environment for individuals with difficulties and disabilities.

Expansion at The John Marley Centre

A major milestone in 2024 was the continued development of our provision at The John Marley Centre in Newcastle. This expansion consolidated our ability to seamlessly provide both education and social care under one roof, mirroring the success of our Consett-based operations. The John Marley Centre now serves as a hub for innovative programs and a beacon of excellence for learners across the Newcastle area.

REAL CARE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

Total income for the financial year was £1,441,992 (period ended 31.08.2023: £1,297,427) and total expenditure was £1,317,267 (2023: £1,149,437). The accounts therefore show a surplus for the year amounting to £124,725 (2023: £147,990). Unrestricted reserves at 31 August 2024 were £892,638 (2023: £805,869) and restricted reserves were £41,116 (2023: £3,160). 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 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 dependent upon fundraising to operate, most of Real Care Ltds 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.

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. The Charity seeks to maximise revenue streams from both its operational sites.

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 £323,223 (2023: £287,359). 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 £567,690 (2023: £440,025).

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.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Plans for future periods

In 2025 and beyond, we remain committed to excellence in education and care, ensuring that every learner receives the personalised attention and resources they deserve. We aim to expand partnerships, improve service delivery, and enhance governance to achieve sustainable growth.

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

REAL CARE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

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:
 - Maximise 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

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 seven 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 and Head of Services). 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.

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 Head of Services, 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 recommendations 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.

REAL CARE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A Timothy - Chair

R Brown (Appointed 18 October 2024)

T Devereux (Appointed 18 October 2024)

M Barker

D Harrop

L McNally

G Stringer

V Armstrong (Resigned 14 November 2023)

C Rogers (Resigned 5 November 2024)

Statement of trustees' responsibilities

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

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

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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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

In accordance with the company's articles, a resolution proposing that Robson Laidler Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

A Timothy - Chair

Trustee

19 February 2025

REAL CARE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REAL CARE LTD

Opinion

We have audited the financial statements of Real Care Ltd (the 'charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

REAL CARE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF REAL CARE LTD

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 directors' report included within 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the charity operates and how the charity complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

REAL CARE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF REAL CARE LTD

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.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Cunningham MSc BSc ACCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

4 March 2025

Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
England
NE2 1TJ

REAL CARE LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Current financial year		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
	Notes				
Income from:					
Donations and legacies	3	36,087	38,775	74,862	82,493
Charitable activities	4	1,338,322	-	1,338,322	1,200,541
Other trading activities		25,069	-	25,069	14,027
Investments		3,739	-	3,739	366
Total income		1,403,217	38,775	1,441,992	1,297,427
Expenditure on:					
Charitable activities	5	1,299,720	17,547	1,317,267	1,149,437
Total expenditure		1,299,720	17,547	1,317,267	1,149,437
Net income		103,497	21,228	124,725	147,990
Transfers between funds		(16,728)	16,728	-	-
Net movement in funds	7	86,769	37,956	124,725	147,990
Reconciliation of funds:					
Fund balances at 1 September 2023		805,869	3,160	809,029	661,039
Fund balances at 31 August 2024		892,638	41,116	933,754	809,029

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

REAL CARE LTD

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Prior financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes			
Income from:				
Donations and legacies	3	34,232	48,261	82,493
Charitable activities	4	1,200,541	-	1,200,541
Other trading activities		14,027	-	14,027
Investments		366	-	366
Total income		1,249,166	48,261	1,297,427
Expenditure on:				
Charitable activities	5	1,124,380	25,057	1,149,437
Total expenditure		1,124,380	25,057	1,149,437
Net income		124,786	23,204	147,990
Transfers between funds		20,544	(20,544)	-
Net movement in funds	7	145,330	2,660	147,990
Reconciliation of funds:				
Fund balances at 1 September 2022		660,539	500	661,039
Fund balances at 31 August 2023		805,869	3,160	809,029

REAL CARE LTD

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	11		324,948		365,844
Current assets					
Debtors	12	146,441		79,897	
Cash at bank and in hand		637,317		509,655	
		<u>783,758</u>		<u>589,552</u>	
Creditors: amounts falling due within one year	13	<u>(174,952)</u>		<u>(146,367)</u>	
Net current assets			608,806		443,185
Total assets less current liabilities			<u>933,754</u>		<u>809,029</u>
The funds of the charity					
Restricted income funds	15		41,116		3,160
Unrestricted funds	16		892,638		805,869
			<u>933,754</u>		<u>809,029</u>

The financial statements were approved by the trustees on 19 February 2025

A Timothy - Chair
Trustee

Company registration number 05296681 (England and Wales)

REAL CARE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	19		152,256		95,795
Investing activities					
Investment income received		3,739		366	
		<u>3,739</u>		<u>366</u>	
Net cash generated from investing activities			3,739		366
Financing activities					
Repayment of bank loans		(28,333)		(10,000)	
		<u>(28,333)</u>		<u>(10,000)</u>	
Net cash used in financing activities			(28,333)		(10,000)
Net increase in cash and cash equivalents			127,662		86,161
Cash and cash equivalents at beginning of year			509,655		423,494
Cash and cash equivalents at end of year			<u>637,317</u>		<u>509,655</u>

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

Real Care Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Learning for Life, Herbert Street, Consett, County Durham, DH8 6AE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% on cost and lease term
Fixtures and fittings	20% reducing balance
Computers	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	9,320	-	9,320	10,482	14,000	24,482
Grants	26,767	38,775	65,542	23,750	34,261	58,011
	<u>36,087</u>	<u>38,775</u>	<u>74,862</u>	<u>34,232</u>	<u>48,261</u>	<u>82,493</u>
Grants						
Lloyds Bank	24,375	-	24,375	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 Fund	-	-	-	-	2,733	2,733
Other	2,392	2,301	4,693	-	1,461	1,461
Department for Education	-	21,474	21,474	-	-	-
Charities Trust	-	15,000	15,000	-	-	-
	<u>26,767</u>	<u>38,775</u>	<u>65,542</u>	<u>23,750</u>	<u>34,261</u>	<u>58,011</u>

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable activities		
Education	462,604	643,280
Social Care	875,718	557,261
	<u>1,338,322</u>	<u>1,200,541</u>

5 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Staff costs	890,404	856,272
Depreciation and impairment	29,273	23,278
Rent and rates	35,042	43,868
Light and heat	12,092	7,959
Training	9,569	4,284
Telephone	4,437	3,959
Postage and stationery	6,888	8,542
Transport	7,056	6,473
Repairs and maintenance	41,846	34,966
Student activities	144,668	48,358
Subscriptions	7,824	4,948
Insurance	7,205	11,749
Sundry expenses	16,185	5,267
Bank interest and charges	1,024	1,439
	<u>1,213,513</u>	<u>1,061,362</u>
Share of support and governance costs (see note 6)		
Support	96,549	83,575
Governance	7,205	4,500
	<u>1,317,267</u>	<u>1,149,437</u>
Analysis by fund		
Unrestricted funds	1,299,720	1,124,380
Restricted funds	17,547	25,057
	<u>1,317,267</u>	<u>1,149,437</u>

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

6 Support costs allocated to activities

	2024 £	2023 £
Staff costs	55,278	53,027
Depreciation	11,623	7,759
Rent and rates	17,276	14,367
Light and heat	5,955	2,653
Professional fees	6,417	5,769
Governance costs	7,205	4,500
	<u>103,754</u>	<u>88,075</u>
Analysed between:		
Charitable activities	<u>103,754</u>	<u>88,075</u>

7 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	7,205	4,500
Depreciation of owned tangible fixed assets	<u>40,896</u>	<u>31,037</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Employees	<u>53</u>	<u>51</u>
Employment costs	2024 £	2023 £
Wages and salaries	877,859	857,973
Social security costs	55,095	40,412
Other pension costs	12,728	10,914
	<u>945,682</u>	<u>909,299</u>

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

9 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 to £70,000	1	-

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	235,010	212,107

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 September 2023	410,720	88,172	38,411	19,820	557,123
At 31 August 2024	410,720	88,172	38,411	19,820	557,123
Depreciation and impairment					
At 1 September 2023	97,190	65,668	21,814	6,607	191,279
Depreciation charged in the year	22,539	6,734	6,668	4,955	40,896
At 31 August 2024	119,729	72,402	28,482	11,562	232,175
Carrying amount					
At 31 August 2024	290,991	15,770	9,929	8,258	324,948
At 31 August 2023	313,530	22,504	16,597	13,213	365,844

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

12 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	144,897	58,429
Other debtors	1,544	21,468
	<u>146,441</u>	<u>79,897</u>

13 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans		-	28,333
Other taxation and social security		13,838	11,331
Trade creditors		29,393	22,418
Other creditors		131,721	84,285
		<u>174,952</u>	<u>146,367</u>

14 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>12,728</u>	<u>10,914</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2024 £
Social Care Fund	-	16,100	(13,247)	16,037	18,890
Education Fund	3,160	1,200	(4,300)	691	751
ESFA	-	21,475	-	-	21,475
	<u>3,160</u>	<u>38,775</u>	<u>(17,547)</u>	<u>16,728</u>	<u>41,116</u>

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

15 Restricted funds

(Continued)

Previous year:	At 1 September 2022	Incoming resources	Resources expended	Transfers	At 31 August 2023
	£	£	£	£	£
Social Care Fund	500	44,261	(24,217)	(20,544)	-
Education Fund	-	4,000	(840)	-	3,160
	<u>500</u>	<u>48,261</u>	<u>25,057</u>	<u>(20,544)</u>	<u>3,160</u>

Use of restricted funds

Social Care Fund - this includes £2,890 for the purchase of virtual reality equipment (Sensory Sound and Vision) and £15,000 funding for a Transition Co-Ordinator.

Education fund - this relates to small amounts of unspent income carried forward into 2024/25

ESFA - Department for Education capital funding for use on the building.

16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023	Incoming resources	Resources expended	Transfers	At 31 August 2024
	£	£	£	£	£
General funds	<u>805,869</u>	<u>1,403,217</u>	<u>(1,299,720)</u>	<u>(16,728)</u>	<u>892,638</u>
Previous year:	At 1 September 2022	Incoming resources	Resources expended	Transfers	At 31 August 2023
	£	£	£	£	£
General funds	<u>660,539</u>	<u>1,249,166</u>	<u>(1,124,380)</u>	<u>20,544</u>	<u>805,869</u>

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 August 2024:			
Tangible assets	324,948	-	324,948
Current assets/(liabilities)	567,690	41,116	608,806
	<u>892,638</u>	<u>41,116</u>	<u>933,754</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 August 2023:			
Tangible assets	365,844	-	365,844
Current assets/(liabilities)	440,025	3,160	443,185
	<u>805,869</u>	<u>3,160</u>	<u>809,029</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

19 Cash generated from operations

	2024 £	2023 £
Surplus for the year	124,725	147,990
Adjustments for:		
Investment income recognised in statement of financial activities	(3,739)	(366)
Depreciation and impairment of tangible fixed assets	40,896	31,037
Movements in working capital:		
(Increase) in debtors	(66,544)	(29,539)
Increase/(decrease) in creditors	56,918	(53,327)
Cash generated from operations	<u>152,256</u>	<u>95,795</u>

REAL CARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

20 Analysis of changes in net funds

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	509,655	127,662	637,317
Loans falling due within one year	(28,333)	28,333	-
	<u>481,322</u>	<u>155,995</u>	<u>637,317</u>