

Charity registration number 223262

Company registration number 00482334 (England and Wales)

**EOTHEN HOMES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# EOTHEN HOMES LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr I D Thomson Professor A Thomas Dr A Van Den Bos Dr S Mishreki Mr A McIlhinney Dr A Shepherd Ms M Erny Ms L Marsh
<b>Chief Executive</b>	Mrs J M Hearl
<b>Company Secretary</b>	Mrs B Wilson
<b>Charity number</b>	223262
<b>Company number</b>	00482334
<b>Registered office</b>	15 Berrymoor Court Northumberland Business Park Cramlington Northumberland England NE23 7RZ
<b>Auditor</b>	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle Upon Tyne Tyne and Wear England NE2 1TJ
<b>Bankers</b>	Barclays Bank Plc Wingrove Newcastle West Group Newcastle upon Tyne

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# EOTHEN HOMES LIMITED

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# **EOTHEN HOMES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

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**

#### **Ethos, values, aims and objectives**

Eothen Homes is a respected and trusted well-established Christian charity founded in 1950. The Charity's objects ("the Objects") are to provide care for elderly persons, within a Christian framework and ethos. Our aim is to provide quality residential care and support, showing compassion and understanding, and providing a homely environment with safe, quality accommodation in which residents are treated with dignity and respect.

Care provided is flexible and individualised to meet physical, emotional, spiritual and social needs. Residents are encouraged to live life to the full, and enjoy a lifestyle based on each person's abilities, interests and life history.

We regard our employees as our greatest asset and base recruitment on our values to ensure we employ those who genuinely care. We continually invest in training and professional development to ensure staff are experienced, dedicated and skilled.

#### **Our Values**

**Empathy:** We will aim to understand other people's experiences and what is important to them, showing Christian commitment, compassion, love and kindness.

**Openness:** We will open our doors and our hearts, be approachable, accept others and always listen to feedback.

**Trustworthiness:** We will act with integrity and transparency in everything we do and provide a safe and secure environment.

**Honesty:** We will work together to act truthfully and promote open and honest communication.

**Equality:** We will treat everyone with respect and courtesy, promoting fair and inclusive practice.

**Nurturing:** We will value and respect everyone, creating a sense of belonging in a caring, safe and happy environment where people are supported to achieve their full potential.

#### **Objectives for the year ending 31st March 2023**

Home Managers will ensure that high standards are achieved and maintained and that the care provided is flexible to meet residents' and families' increasing expectations and demands.

To continually monitor resident dependency and occupancy at all homes alongside the staffing ratio, which is increased or decreased as required to ensure appropriate levels of staff on duty. Demands on staff continue to increase and managers will ensure that staff are well supported through regular observations, supervision and appraisal.

To introduce 'Nourish' a new electronic care planning system into all homes, which will reduce the amount of paperwork and handovers. This will enable staff to spend more meaningful time with residents and ensure compliance and consistency with record keeping.

To promote the provision of training for other care home providers at our training facility at Wallsend, to raise our profile and potentially generate some income. Training focus for the year was the dementia model at Wallsend and ensure all mandatory training is up to date.



# **EOTHEN HOMES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Objectives for the year (cont.)**

Home Managers and Activity Co-ordinators to ensure residents are provided with a varied and stimulating activity programme, which encompasses spiritual needs and other interests which fosters a comfortable and sociable atmosphere. Activity provision to be reviewed and consideration given to increasing activities and events, providing more interest around the homes, including small animals, equipment and areas of interest, especially at Wallsend.

To develop a refurbishment program for Gosforth and Whitley Bay with the aim of refreshing the décor, which is looking 'tired' following the Pandemic.

Managers to continue to network and promote Eothen in their local community to increase awareness of the charity, as well as developing ways to attract and retain residents and staff, including effective and well placed marketing and advertising.

Aim for good occupancy, individually and overall, to achieve the forecast surplus, which will increase cash reserves and boost the maintenance fund to either reinvest in our existing homes or support a new development.

Resident fees to be increased, taking into account increases to the Real Living Wage, employer's National Insurance contributions and additional staff employed in each home. In some cases the staff/resident ratio is increased for higher dependency of residents. The increasing cost of fuel, utility and food costs and any potential risks caused by international conflict will be taken into account.

To continue to reinvest our operating surplus to maintain the quality of accommodation currently provided and to improve our facilities. The trustees to consider a new investment strategy to increase the return on funds held.

In the future, we aim to replace our existing homes with modern purpose-built facilities which will benefit and support the ageing population and those living with dementia. Therefore, we are actively looking for future projects and development opportunities in either residential or dementia care in the North East of England and neighbouring areas.

### **Strategies employed to achieve objectives**

The trustees and senior management team continue to review the performance of the charity and plan for the future, we aim to ensure the organisation is secure and able to develop, whilst remaining a manageable size, so that quality of care is not compromised and the charity's aims, objectives and values continue to be met.

Eothen currently has the capacity to provide 24 hour person centered care and support for 135 individuals, 71 residential care, and 64 specialist dementia care. Our homes are located at Gosforth, Whitley Bay and Wallsend and are purpose built. Our specialist facility at Wallsend provides small scale household living using the 'butterfly model of care', designed to provide freedom and choice for those living with dementia.

We offer full and varied activity programmes which are aligned with our Ethos and Values and we employ activity co-ordinators at our homes to ensure that we provide Christian fellowship and Pastoral Support to meet the needs of each individual. Although this was limited due to the sustained Coronavirus pandemic, we offered alternative interaction through social media, television and recorded services.

The Coronavirus Pandemic restricted many of the activities previously offered in the homes and we are slowly re-introducing them. Good relationships have been maintained with local universities, colleges and schools and we look forward to welcoming student placements back, along with nursery school children who were also regular visitors.

We aim for our residents to live at Eothen as long as possible, working with health care professionals to provide end of life care and full support for both the residents and their families. Respite care is provided if rooms are available, as well as day care for those in the community who may be lonely and need extra support.

# EOTHEN HOMES LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Strategies employed to achieve objectives (contd.)**

Vaccinations for staff in care homes are no longer mandatory and there has been a marked reduction of staff who have not had the Coronavirus booster or annual flu vaccine. Mask wearing ceased earlier this year which was welcomed by residents, families and staff.

We continue our commitment to staff training and development. We employ a full time Training and Development manager to ensure we comply with mandatory and bespoke training at all homes. Our staff receive training specifically regarding their home and residents which enables us to provide consistent standards and be more responsive to individual training needs. We are continuing to develop the staff in specialist areas such as dementia care in order to equip them with the necessary skills to meet the varying needs of our residents.

### **Strategic Report**

#### **Achievement and performance**

##### **Charitable activities**

Our Christian Ethos and Values continue to be embedded throughout the organisation and we have received excellent feedback and scores on the carehome.co.uk website. We continue to aim for excellence throughout.

A good level of occupancy has been achieved at all homes and we have had a steady stream of enquiries. Each home has produced a surplus, despite the cost of living crisis.

Recruitment and retention issues have improved as staff pay was increased twice during the year and our hourly pay rates are well above the Real Living Wage. The aim is to stay ahead of our competitors and reward our existing staff for their hard work and commitment. We also introduced a 'Refer a Friend Scheme' and employed a dedicated recruitment officer. Staff turnover has reduced slightly from the previous year and we have employed a total of 60 new employees. We continue to offer good terms and conditions of employment, training opportunities, personal development and career progression.

The CQC and local authorities continue to conduct desktop inspections and we have therefore maintained the good CQC ratings at all homes, grade 5 with Environmental Health and grade 1 with Local Authorities.

Our social media profile has increased and the homes and residents have made several appearances on TV and radio, both locally and nationally.

'Nourish,' an electronic care planning system, has been successfully introduced. This has reduced the amount of paperwork and handovers, which enables staff to spend more meaningful time with our residents and ensures compliance and consistency with GDPR and record keeping.

Our Training and Development and Compliance managers have designed and developed 'Under Our Wing', which is specific dementia training for Eothen and the adopted butterfly approach we use to care for our residents who are living with dementia.

As part of our commitment to excellence, we have introduced a research portfolio and are currently involved with four research projects. DACHA – Developing resources and minimum data set for care homes, FINCH – Falls in care homes, SONNET (under ENRICH) – looking at social connections and our largest project is with Creating Care Partnerships, which has been ongoing since April 2022. Our partnership is now named Care & Research North East and we are working with Northumbria University supporting research in adult social care to improve practice and outcomes for people using care services.

In support of the local community we introduced and registered an official warm space at Wallsend to help vulnerable elderly people during the cost of living crisis with increasing energy and food costs. Also offering places for Christmas dinner for anyone who might be on their own.

# EOTHEN HOMES LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### Key performance indicators

1. Occupancy – We aim for good occupancy at all homes and measure actual occupancy against forecast for the year. Actual total occupancy for the year was 95.6% and higher than the forecast 93%.
2. Financial surplus – We aim to achieve a cash surplus for each home.
3. Resident & Relative satisfaction - We aim to achieve a customer satisfaction score in excess 80%. In 2022 we achieved 85.5%, which is down by 5.4% on the previous year. Results seem to have been affected by pandemic visiting restrictions.
4. Feedback and reviews can be found on [www.carehome.co.uk](http://www.carehome.co.uk). Our group rating is 9.8, which is within the top 20 small care home groups in the UK. We have received some outstanding comments for all homes.
5. Employee satisfaction – We aim to achieve an overall staff satisfaction rate from annual questionnaires of over 80% but in 2021/22, surveys were not sent out due to the pandemic and staff shortages.

### Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and are confident that Eothen can continue to meet the public benefit now and into the future in the following ways:

Providing care and accommodation for all. We accept those who are fully self-funded and those who are partially or fully subsidised by other means, such as the local authority and the NHS, which provides continuing health care.

Residents pay an economic fee for their care, some of which may be partially or fully payable by a local authority. At Wallsend the local authority fee rate is substantially lower than the cost of care and a third party top up is requested for Local Authority funded residents to help bridge the gap.

Our Ethos is one of inclusion and in practical terms we are committed to equality and diversity, welcoming residents and staff from different backgrounds and communities. Residents are encouraged to join in activities in the homes and, where able, in the local community, where each individual can maintain his or her own interests and faith.

We are approved to provide placements for student nurses from Northumbria University and work experience for health and social care students from local colleges, although these placements were suspended during 2021/22 due to the Coronavirus pandemic. Students experience good quality care of the elderly and can learn and develop new skills and knowledge to benefit their future careers in the care sector. We hope to welcome students back to the homes in the future.

We are actively involved in various projects within social care, sharing knowledge, participating in trials and working with other providers to improve care of older people and those living with dementia.

Eothen Homes does not actively raise funds but all donations are welcome and are used directly for the benefit of our residents, usually for activity equipment, garden furniture or specific projects.

# **EOTHEN HOMES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Financial Review**

#### **Reserves policy**

The trustees have considered the level of reserves which should be maintained by the charity and this is reviewed at board meetings. Reserves may be needed to cover unexpected shortfalls in charitable income and other contingencies, as demonstrated with the Coronavirus pandemic.

Undesignated free reserves (excluding capital assets) as at 31 March 2023 amounted to £3,261,309. The Trustees consider this level of free reserves to be adequate to support the operation of the three homes for the foreseeable future. Reserves are being built up to fund a new care development.

The charity has revised the investment policy to include some medium term investments, placing £1m with Edentree Investment Management and £1m with Redmayne Bentley Investment Management and Stock Brokers. Other funds are on deposit in term accounts, maturing at various dates throughout the year giving predictable access to funds. The trustees consider that £500,000 is a sufficient minimum financial reserve.

The Trustees ceased the depreciation of buildings in 2002 and established the Planned Maintenance Fund. The fund is topped up by an annual transfer of 2% of fee income generated by all homes. Planned works such as decoration and general refurbishment of the homes are funded from this. In the event of major works, an additional transfer from undesignated free reserves may be agreed.

The balance on the planned maintenance fund is £424,248 which along with the transfer from fees is considered adequate to fund the planned expenditure in the coming year. The Trustees monitor the level of this fund on an annual basis.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Plans for future periods**

Our focus is for all homes to achieve excellence, with the highest standards of care. Our values and our Christian Ethos will be embedded in staff induction and training. Staff will also be encouraged to participate in research activities and to have a greater understanding of how life in care homes can be improved for residents, relatives and staff.

Our Home Managers will ensure that high standards are achieved and maintained and that the care provided is flexible to meet the increasing needs, expectations and demands of our residents and their families. Resident dependency and occupancy will be continually monitored alongside the staffing ratio which is increased or decreased as required to ensure appropriate levels of staff are on duty.

Resident fees have been reviewed and increased for the year ahead. The financial forecast has taken into account increases in staff pay and the cost of living crisis.

We will continue our commitment to the training and development of our staff. Managers will ensure that staff are well supported through regular observations, supervision and appraisals. We also aim to provide extra staff to cover any sickness absence, holidays and staff vacancies to eliminate the use of agency staff.

We will continue to provide training and support to all staff to further embed 'Nourish' the electronic care planning system and utilise the system to its full potential.

Introduce 'Under Our Wing' our own bespoke dementia training which encapsulates the butterfly model of care.

We plan to explore and implement an electronic care home management system which will integrate with our existing payroll system and will stream line staff management and holiday records.

We will employ a senior activity person to co-ordinate events over all three homes and review activity provision with consideration given to increasing activities and events and provide more areas of interest around the homes.

# **EOTHEN HOMES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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A refurbishment program has been developed with a focus on our Gosforth home in the year ahead. Refreshing the décor and updating some of the furniture, carpet and curtains. Further investment is planned for the gardens at all homes to provide a more varied and stimulating environment where the residents are more involved and have opportunities to share ideas and help out.

Succession planning to be considered due to planned retirement of key head office personnel in the next 2- 5 years

### **Structure, governance and management**

#### **Governing document**

Eothen Homes Limited is a Company limited by guarantee, governed by Articles of Association adopted on 13 December 2017 (previously governed by the Memorandum and Articles of Association dated 8 May 1950, amended on 27 September 1988 and 10 May 2010). The Company's registration number is 0482334. It is registered as a charity with the Charity Commission, number 223262. There are currently eight members, each of whom agrees to contribute £1 in the event of the charitable company being wound up.

The charity's object and principal activity (as described in the articles) is:

"to provide care for elderly persons within a Christian Framework and Ethos", by the following means:

Providing appropriate accommodation, items, services or facilities calculated to relieve the needs of such persons, and by the provision of carers and by the provision of regular support and training for such carers."

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:

Mr I D Thomson

Professor A Thomas

Dr A Van Den Bos

Dr S Mishreki

Mr A McIlhinney

Dr A Shepherd

Ms M Erny

Ms L Marsh

#### **Recruitment and appointment of new trustees**

The board consists of voluntary trustees, (members/directors), who are committed Christians and adhere to the Evangelical Alliance's statement of faith. Trustees have statutory responsibilities and ensure they follow the Charity Commission Code of Governance. In line with Charity requirements, the Directors do not draw any remuneration or benefit other than expenses to carry out their duties. They visit the homes when possible to keep up to date and to provide opportunities to meet residents and staff. The trustees also attend briefings and training courses as appropriate and benefit from training and experience in other charities where they are Directors.

The recruitment process follows charity commission guidelines to ensure there is an appropriate range of skills, knowledge and experience amongst its members. Existing trustees approach candidates who are invited to attend a Trustee meeting, initially as an observer. If they are considered suitable for the role of trustee, the relevant checks and references are obtained before being invited to join the board.

New Trustees are given an induction pack which includes constitutional documents, our annual business plan, risk register, governance information and any other information relevant to the work of the charity. All members receive a copy of the 'Governance' magazine in order to keep them up to date with their role and responsibilities and are directed to read the Charities Commission Governance code.



# **EOTHEN HOMES LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The number and skills of trustees have been reviewed and it has been identified that we would benefit from the recruitment of some new trustees, preferably with expertise in finance, senior business management and law. Advertising leaflets have been designed to reach out to any potential trustees and distributed to local churches and businesses with who we have close working connections in the North East.

Trustees are appointed for a three year term, after which time they are invited to stand for re-election.

The Trustees retiring by rotation who were re-elected in 2022 were Ms M Erny and Professor A Thomas.

### **Organisational structure**

The board of trustees have responsibility for the overall leadership and direction of the charity. The trustees meet at least three times per year and are provided with financial reports quarterly, to enable them to review and approve long term objectives, strategy, policies, budget and compliance with the Charity Commissions' Governance code. The trustees delegate the day to day operation of the charity and its services to the Chief Executive her team.

### **Employees**

We are an equal opportunities organisation, committed to providing a happy, safe and comfortable environment for all staff, volunteers and students. We aim to recruit staff who will embrace our Christian ethos, values and model of care.

We employ 165 staff and are also supported by families, friends and volunteers from the local community. We are committed to providing good terms and conditions of employment for all staff.

We provide bespoke in-house training, personal development and career opportunities. We will communicate, consult with, and listen to our staff, providing regular opportunities to provide feedback through questionnaires, individual reviews and meetings.

### **Risk management**

The trustees review strategic risk regularly. A comprehensive risk register is maintained which is subject to review at board meetings. The risk register identifies risks likely to affect the charity's ability to meet its aims and objectives in areas of Governance and Management, Financial and Legal, Regulatory Compliance and any other external factors. Systems and policies are in place to reduce or mitigate any risk and these are monitored and appropriate actions taken if required.

The risk register has been reviewed for the coming year and very little has changed. Recruitment issues and staff shortages continue to be a factor. The risk rating for Coronavirus outbreaks has been reduced, although all of the homes have suffered outbreaks, the residents have not been poorly.

The charity is in strong financial position and the financial forecast for the year ahead is good with the impact of the cost of living crisis and international issues taken into account.

### **Financial Risk management**

Eothen operates robust and secure financial systems with safe accounting procedures in place. The trustees are aware of their duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Financial risks are identified as part of the annual business review process and are monitored on a regular basis. Financial performance is reported to the trustees by the finance manager, which may be subject to further scrutiny as determined by the board.

# EOTHEN HOMES LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Eothen Homes Limited 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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, including the strategic report, was approved by the Board of Trustees.



Mr I D Thomson  
Trustee

Date: 11 JULY 2023

# EOTHEN HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF EOTHEN HOMES LIMITED

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#### Opinion

We have audited the financial statements of Eothen Homes Limited (the 'charity') for the year ended 31 March 2023 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 March 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; 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 and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.



# EOTHEN HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EOTHEN HOMES LIMITED

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### **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 strategic report or 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.

### **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.

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

The risk of material misstatement due to error or fraud is deemed to be low within the entity as the charity operate strong internal controls to mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. Manual journal entries are scrutinised by data analytics software used as part of the audit.

The laws and regulations which are considered to be significant to the entity relate to health and safety. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

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.

# EOTHEN HOMES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EOTHEN HOMES LIMITED

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### 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.



Michael T Moran BA FCA (Senior Statutory Auditor)  
for and on behalf of Robson Laidler Accountants Limited

18 July 2023  
.....

Statutory Auditor

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

# EOTHEN HOMES LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
<b><u>Income and endowments from:</u></b>			
Donations and legacies	2	11,449	244,659
<b><u>Charitable activities</u></b>			
Residential care fees	3	5,387,772	4,785,258
Investments	4	23,467	60,512
Other income	5	-	1,291,562
<b>Total income</b>		<b>5,422,688</b>	<b>6,381,991</b>
<b><u>Expenditure on:</u></b>			
<b><u>Charitable activities</u></b>			
Residential care	6	4,775,580	4,400,618
<b>Total charitable expenditure</b>		<b>4,775,580</b>	<b>4,400,618</b>
Net gains/(losses) on investments		(26,098)	-
<b>Net movement in funds</b>		<b>621,010</b>	<b>1,981,373</b>
Fund balances at 1 April 2022		11,644,678	9,663,305
<b>Fund balances at 31 March 2023</b>		<b>12,265,688</b>	<b>11,644,678</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# EOTHEN HOMES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	11	8,580,131		8,638,382	
Investments	12	1,913,002		-	
		<u>10,493,133</u>		<u>8,638,382</u>	
<b>Current assets</b>					
Debtors	13	67,546		104,680	
Cash at bank and in hand		2,053,524		3,230,711	
		<u>2,121,070</u>		<u>3,335,391</u>	
<b>Creditors: amounts falling due within one year</b>	14	(348,515)		(329,095)	
Net current assets		<u>1,772,555</u>		<u>3,006,296</u>	
<b>Total assets less current liabilities</b>		<u>12,265,688</u>		<u>11,644,678</u>	
<b>Income funds</b>					
<u>Unrestricted funds - general</u>					
Designated funds	15	9,004,379		9,033,603	
General unrestricted funds		3,261,309		2,611,075	
		<u>12,265,688</u>		<u>11,644,678</u>	
		<u>12,265,688</u>		<u>11,644,678</u>	

The financial statements were approved by the Trustees on .....

*I. D. Thomson*  
 .....  
 Mr I D Thomson  
 Trustee

Company registration number 00482334

# EOTHEN HOMES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		767,156		778,078
<b>Investing activities</b>					
Purchase of tangible fixed assets		(29,499)		(47,367)	
Proceeds from disposal of tangible fixed assets		789		2,778,070	
Proceeds from disposal of investment property		-		1,000,000	
Purchase of other investments		(1,939,100)		-	
Investment income received		23,467		60,512	
<b>Net cash (used in)/generated from investing activities</b>			(1,944,343)		3,791,215
<b>Financing activities</b>					
Repayment of bank loans		-		(3,091,526)	
<b>Net cash used in financing activities</b>			-		(3,091,526)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1,177,187)		1,477,767
Cash and cash equivalents at beginning of year			3,230,711		1,752,944
<b>Cash and cash equivalents at end of year</b>			2,053,524		3,230,711

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Charity information

Eothen Homes Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Berrymoor Court, Northumberland Business Park, Cramlington, Northumberland, NE23 7RZ, England.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance 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)". 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. 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.

Designated funds are funds set aside by the Trustees out of unrestricted funds for specific future purpose or projects.

Restricted funds are subject to specific conditions by donors 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.

#### 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.

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 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:

Freehold land and buildings	Not depreciated
Fixtures and fittings	15% on cost
Computers	33% on cost

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.8 Impairment of fixed assets

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared against its carrying amount. Where the estimated recoverable amount is lower, an impairment loss is recognised immediately in profit and loss.

#### 1.9 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.

#### 1.10 Taxation

The charities activities fall within the exemptions afforded by the provisions of The Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

#### 1.11 Retirement benefits

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

#### 1.12 Short term debtors and creditors

Debtors and creditors with no interest rate which are receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised immediately in profit and loss.

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 2 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Donations and gifts	2,400	31,008
Government grants	9,049	213,651
	<u>11,449</u>	<u>244,659</u>

### 3 Charitable activities

	Residential care fees 2023 £	Residential care fees 2022 £
Residential care fees	<u>5,387,772</u>	<u>4,785,258</u>

### 4 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income	-	49,457
Income from listed investments	8,407	-
Interest receivable	15,060	11,055
	<u>23,467</u>	<u>60,512</u>

### 5 Other income

	Total Unrestricted funds general 2023 £	Total Unrestricted funds general 2022 £
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>1,291,562</u>



# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 6 Charitable activities

	Residential care 2023 £	Residential care 2022 £
Staff costs	2,919,405	2,748,621
Depreciation and impairment	86,423	108,500
Rates and water	31,407	29,256
Insurance	72,674	48,230
Light and heat	137,462	101,712
Telephone, stationery and advertising	43,582	45,464
Sundries	17,342	17,102
Food	250,934	226,337
China, utensils and linen	7,349	10,366
Employment agency	258,813	30,182
Repairs and maintenance	318,543	361,848
Gardening	28,234	25,862
Cleaning and waste disposal	64,335	59,166
Training, travelling and subsistence	22,638	11,050
Legal and professional	3,805	1,786
Registration fees	20,347	25,150
Occupational therapy	10,144	6,043
	<u>4,293,437</u>	<u>3,856,675</u>
Share of support costs (see note 7)	476,843	537,543
Share of governance costs (see note 7)	5,300	6,400
	<u><u>4,775,580</u></u>	<u><u>4,400,618</u></u>

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 7 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Staff costs	404,639	-	404,639	378,244	-	378,244
Depreciation	538	-	538	547	-	547
Property expenses	38,507	-	38,507	38,616	-	38,616
Motor and travelling costs	10,426	-	10,426	7,889	-	7,889
Legal and professional fees	4,619	-	4,619	2,593	-	2,593
Communications and information	9,081	-	9,081	10,620	-	10,620
Office expenses	3,512	-	3,512	4,645	-	4,645
Bank charges and interest	5,521	-	5,521	94,389	-	94,389
Audit fees	-	5,300	5,300	-	6,400	6,400
	<u>476,843</u>	<u>5,300</u>	<u>482,143</u>	<u>537,543</u>	<u>6,400</u>	<u>543,943</u>
Analysed between Charitable activities	<u>476,843</u>	<u>5,300</u>	<u>482,143</u>	<u>537,543</u>	<u>6,400</u>	<u>543,943</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:

	2023 Number	2022 Number
Residential	146	154
Central management and administration	7	7
Total	<u>153</u>	<u>161</u>
<b>Employment costs</b>	<b>2023 £</b>	<b>2022 £</b>
Wages and salaries	3,013,304	2,861,150
Social security costs	235,352	195,521
Other pension costs	75,388	70,194
	<u>3,324,044</u>	<u>3,126,865</u>

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 9 Employees

(Continued)

Key management remuneration totalled £175,984 (2022: £112,651 ).

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-

### 10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 April 2022	8,638,198	922,315	61,962	9,622,475
Additions	-	29,499	-	29,499
Disposals	-	(173,997)	(50,022)	(224,019)
At 31 March 2023	8,638,198	777,817	11,940	9,427,955
<b>Depreciation and impairment</b>				
At 1 April 2022	163,293	762,184	58,617	984,094
Depreciation charged in the year	-	75,005	538	75,543
Eliminated in respect of disposals	-	(164,598)	(47,215)	(211,813)
At 31 March 2023	163,293	672,591	11,940	847,824
<b>Carrying amount</b>				
At 31 March 2023	8,474,905	105,226	-	8,580,131
At 31 March 2022	8,474,905	160,132	3,345	8,638,382

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 12 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2022	-
Additions	1,939,100
Valuation changes	(26,098)
At 31 March 2023	1,913,002
<b>Carrying amount</b>	
At 31 March 2023	1,913,002
At 31 March 2022	-

### 13 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	22,272	44,302
Prepayments and accrued income	45,274	60,378
	67,546	104,680

### 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	68,279	47,907
Trade creditors	78,370	61,160
Other creditors	19,702	3,748
Accruals and deferred income	182,164	216,280
	348,515	329,095

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2022 £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Planned maintenance fund	395,221	(78,903)	107,930	424,248
Capital fund	8,638,382	-	(58,251)	8,580,131
	<u>9,033,603</u>	<u>(78,903)</u>	<u>49,679</u>	<u>9,004,379</u>

### 16 Purpose of Designated Funds

The planned maintenance fund has been set aside out of the unrestricted funds by the Trustees for future planned maintenance costs at the homes. The capital fund represents the value of the functional fixed assets held by the charity, net of borrowing. The Trustees consider that these assets form the core assets from which the charity operates and therefore do not consider them to be available to fund the day to day activities of the charity.

### 17 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

### 18 Indemnity Insurance

The charity paid for the insurance premiums to indemnify Trustees and senior staff from any loss arising from neglect of defaults of Trustees or staff and any consequent lost.

### 19 Company Limited by Guarantee

Eothen Homes Limited is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amounts as may be required not exceeding £1 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

# EOTHEN HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20	Cash generated from operations	2023 £	2022 £
	Surplus for the year	621,010	1,981,373
	Adjustments for:		
	Investment income recognised in statement of financial activities	(23,467)	(60,512)
	Gain on disposal of tangible fixed assets	-	(1,291,562)
	Fair value gains and losses on investments	26,098	-
	Depreciation and impairment of tangible fixed assets	86,961	109,047
	Movements in working capital:		
	Decrease in debtors	37,134	99,550
	Increase/(decrease) in creditors	19,420	(59,818)
	<b>Cash generated from operations</b>	<b>767,156</b>	<b>778,078</b>
21	<b>Analysis of changes in net funds</b>		
	The charity had no debt during the year.		