

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 2024

EOTHEN HOMES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

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

EOTHEN HOMES LIMITED

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EOTHEN HOMES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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

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 2024

Home Managers to ensure high standards are achieved and maintained and 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 will be increased or decreased as required to ensure appropriate levels of staff are maintained.

To achieve good occupancy to increase the forecast surplus, which will support cash reserves and boost the maintenance fund to either reinvest in our existing homes or a new development. Trustees to consider a new investment strategy to increase the return on funds held.

Develop a refurbishment program, 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 to be 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.

Staff pay and resident fees to be reviewed for the year ahead, taking into account any increase in the Real Living Wage and any additional staff employed. The increasing cost of fuel, utility and food costs and any potential risks caused by international conflict will also be taken into account. In some cases the staff/resident ratio at one or all of our homes will need to be increased for residents with higher dependency.

EOTHEN HOMES LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2024

Objectives for the year (cont.)

Research an electronic care home management system which is compliant with our existing payroll system to streamline resident, staff, duty rotas and holiday records.

To 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.

Staff at our dementia home to participate in 'Under Our Wing' bespoke training that encapsulates the butterfly model of care.

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

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. We have good relationships with local universities, colleges and schools. We offer work experience and student nurse placements, along with nursery school children who are 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.

We are committed to staff training and development facilitated by a full time Training and Development manager who ensures compliance with mandatory and bespoke training. 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. Staff will 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 values and our Christian Ethos are embedded in staff induction and training. Managers will ensure that staff are well supported through regular observations, supervision and appraisals. We provide extra staff to cover sickness absence, holidays and staff vacancies with the aim of eliminating the use of agency staff.

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

EOTHEN HOMES LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2024

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 and each home has produced a surplus. Newcastle Local Authority fee rates have increased and surpassed our own private fee charge which has not previously been experienced.

We were successful in obtaining a grant for digitalising social care from the NHS, receiving £24,000 which will fund the initial implementation cost of Coolcare, the electronic care management system.

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 4 new employees. We continue to offer good terms and conditions of employment, training opportunities, personal development and career progression.

We created a new project co-ordinator role to plan and oversee preventative maintenance and refurbishment projects. Windows have been replaced on the South elevation of our home in Gosforth and we have replaced the fire panels in two homes. Patio doors were fitted in the lounge at Whitley Bay using funds from a donation.

We successfully recruited a senior activities co-ordinator who is working between all three homes and has made a positive difference for our residents, organising special events, which have been shared on social media with regular appearances on local and national television news and radio.

The CQC have carried out one inspection at Wallsend, achieving an overall rating of good and an outstanding rating for 'Well Led', with good CQC ratings at the other homes, although they have not been inspected since the pandemic. We have also maintained grade 5 with Environmental Health and grade 1 with Local Authorities.

Our Training and Development Manager continues to develop our research portfolio and we have been involved with four research projects in 2023. 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 Newcastle University supporting research in adult social care to improve practice and outcomes for people using care services.

The AFRI-c Air Filter study, has been gathering data for the winter period Sept 23 to May 24, on whether HEPA air filters can reduce symptomatic winter respiratory infections (coughs, colds, flu and COVID -19) in care home residents.

A new Home Manager was employed at our Gosforth home in June. All managers have been engaged in our research projects and have recently developed a video to provide feedback from the first year of research which looked at wearing uniforms in care homes. Two of our homes were also presented with awards by North Tyneside Local Authority for managing residents changing care needs.

EOTHEN HOMES LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2024

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% which is just under the forecast of 96%.
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 2023 we achieved 92.4%, which is down by 6.9% 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. Our group rating is 9.8, and we continue to be one of 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%. In 2023, the results showed 95% satisfaction.

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. Students are able to participate and 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 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 2024

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.

Undesignated free reserves (excluding capital assets) as at 31 March 2024 amounted to £3,998,598. 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 £448,988 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

Home Managers will focus over the coming year on resident care and experiences to prepare for the changes to the CQC Inspection Framework. Ensuring the care we provide is exceptional and of a consistently high standard, which 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 maintained.

To maintain good occupancy which will increase the forecast surplus, support cash reserves and boost the maintenance fund to reinvest in our existing homes and fund a new development. 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. 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.

Resident fees are reviewed annually and increased in line with forecast expenditure and any changes to staff numbers.

To appoint a project co-ordinator to develop a refurbishment program to maintain the quality of accommodation currently provided and to improve our facilities, providing more varied and stimulating areas in the gardens, where the residents can be involved and have opportunities to share ideas.

An electronic care home administration system will be implemented in April, 2024 which will replace our existing payroll system and integrate with Nourish, our electronic care planning system, which will streamline home, staff and resident records. Biometric sign in and a staff portal is included to enable staff to book overtime, training and request holidays. It is also a more efficient way to communicate with our workforce.

We will provide training and support to further embed 'Nourish' the electronic care planning system and utilise the system to its full potential and provide 'Under Our Wing' our own bespoke dementia training to our residential homes.

EOTHEN HOMES LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2024

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

(Resigned 11 July 2023)

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. Trustees visit the homes when possible to keep up to date and to provide opportunities to meet residents and staff. They also attend briefings and training courses as appropriate and benefit from training and experience from other charities they are involved in.

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.

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.

Dr A D Shepherd retired in July after serving Eothen for over 34 years. There were no other Trustees due to retire by rotation in 2023.

EOTHEN HOMES LIMITED

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

FOR THE YEAR ENDED 31 MARCH 2024

Organisational structure

The board of trustees have responsibility for the overall leadership and direction of the charity and the day to day operation of the charity and its services is delegated to the Chief Executive and her team. The trustees meet at least three times per year and in between meetings there is regular contact with the CEO, Chair of trustees and other trustees as appropriate. Trustees 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.

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 with only minor amendments made. Recruitment issues and staff shortages continue to be a higher risk. However, the charity remains in strong financial position and the financial forecast for the year ahead is good.

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 2024

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.

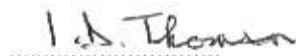
Auditor

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: 18 JULY 2024

EOTHEN HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EOTHEN HOMES LIMITED

Opinion

We have audited the financial statements of Eothen Homes Limited (the 'charity') for the year ended 31 March 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 March 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 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

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.

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.

EOTHEN HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EOTHEN HOMES LIMITED

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

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 FCCA (Senior Statutory Auditor)
for and on behalf of Robson Laidler Accountants Limited

23-7-2024

Statutory Auditor

Fernwood House
Fernwood Road
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NE2 1TJ

EOTHEN HOMES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	2	34,445	11,449
<u>Charitable activities</u>			
Residential care fees		5,881,693	5,387,772
Investments		131,026	23,467
Total income		<u>6,047,164</u>	<u>5,422,688</u>
Expenditure on:			
<u>Charitable activities</u>			
Residential care	3	5,386,058	4,764,162
Other expenditure		-	11,418
Total expenditure		<u>5,386,058</u>	<u>4,775,580</u>
Net gains/(losses) on investments		93,787	(26,098)
Net movement in funds	5	754,893	621,010
Reconciliation of funds:			
Fund balances at 1 April 2023		12,265,688	11,644,678
Fund balances at 31 March 2024		<u>13,020,581</u>	<u>12,265,688</u>

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

EOTHEN HOMES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		8,572,995		8,580,131
Investments	10		2,089,520		1,913,002
			<u>10,662,515</u>		<u>10,493,133</u>
Current assets					
Debtors	11	109,709		67,546	
Cash at bank and in hand		2,634,130		2,053,524	
		<u>2,743,839</u>		<u>2,121,070</u>	
Creditors: amounts falling due within one year	12	(385,773)		(348,515)	
Net current assets			<u>2,358,066</u>		<u>1,772,555</u>
Total assets less current liabilities			<u>13,020,581</u>		<u>12,265,688</u>
The funds of the charity					
Unrestricted funds			<u>13,020,581</u>		<u>12,265,688</u>
			<u>13,020,581</u>		<u>12,265,688</u>

The financial statements were approved by the trustees on

I. D. Thomson

Mr I D Thomson

Trustee

Company registration number 00482334 (England and Wales)

EOTHEN HOMES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	19		558,005		767,156
Investing activities					
Purchase of tangible fixed assets		(25,696)		(29,499)	
Proceeds from disposal of tangible fixed assets		-		789	
Purchase of investments		(128,404)		(1,939,100)	
Proceeds from disposal of investments		45,675		-	
Investment income received		131,026		23,467	
Net cash generated from/(used in) investing activities			22,601		(1,944,343)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			580,606		(1,177,187)
Cash and cash equivalents at beginning of year			2,053,524		3,230,711
Cash and cash equivalents at end of year			2,634,130		2,053,524

EOTHEN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 Berry Moor 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 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.

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 2024

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 2024

2 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	3,201	2,400
Government grants	31,244	9,049
	<u>34,445</u>	<u>11,449</u>

3 Expenditure on charitable activities

	Residential care 2024 £	Residential care 2023 £
Direct costs		
Staff costs	3,442,219	2,919,405
Depreciation and impairment	32,830	75,005
Rates and water	36,969	31,407
Insurance	68,755	72,674
Light and heat	286,869	137,462
Telephone, stationery and advertising	34,276	43,582
Sundries	34,838	17,342
Food	270,297	250,934
China, utensils and linen	21,389	7,349
Employment agency	126,890	258,813
Repairs and maintenance	324,094	318,543
Gardening	28,117	28,234
Cleaning and waste disposal	74,643	64,335
Training, travelling and subsistence	18,002	22,638
Legal and professional	15,460	3,805
Registration fees	20,850	20,347
Occupational therapy	16,600	10,144
	<u>4,853,098</u>	<u>4,282,019</u>
Share of support and governance costs (see note 4)		
Support	527,010	476,843
Governance	5,950	5,300
	<u>5,386,058</u>	<u>4,764,162</u>
Analysis by fund		
Unrestricted funds	<u>5,386,058</u>	<u>4,764,162</u>

EOTHEN HOMES LIMITED

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

4 Support costs allocated to activities

	Residential care 2024 £	Total 2023 £
Staff costs	433,396	404,639
Depreciation	-	538
Property expenses	44,327	38,507
Motor and travel costs	18,857	10,426
Legal and professional fees	12,267	4,619
Communication and information	8,536	9,081
Office expenses	2,796	3,512
Bank charges	6,831	5,521
Governance	5,950	5,300
	<u>532,960</u>	<u>482,143</u>

5 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	5,950	5,300
Depreciation of owned tangible fixed assets	32,830	75,543
Loss on disposal of tangible fixed assets	-	11,418
	<u></u>	<u></u>

6 Trustees

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

7 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Residential	150	146
Central management and administration	7	7
	<u></u>	<u></u>
Total	<u>157</u>	<u>153</u>

EOTHEN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Employees		(Continued)	
Employment costs	2024 £	2023 £	
Wages and salaries	3,514,084	3,013,304	
Social security costs	271,189	235,352	
Other pension costs	90,342	75,388	
	<u>3,875,615</u>	<u>3,324,044</u>	

Key management remuneration totalled £190,737 (2023: £175,984).

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

	2024 Number	2023 Number
£80,001 to £90,000	<u>1</u>	<u>1</u>

8 Taxation

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

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2023	8,638,197	778,601	11,940	9,428,738
Additions	-	25,696	-	25,696
Disposals	-	(32,046)	-	(32,046)
	<u>8,638,197</u>	<u>772,251</u>	<u>11,940</u>	<u>9,422,388</u>
At 31 March 2024	8,638,197	772,251	11,940	9,422,388
Depreciation and impairment				
At 1 April 2023	163,293	673,376	11,940	848,609
Depreciation charged in the year	-	32,830	-	32,830
Eliminated in respect of disposals	-	(32,046)	-	(32,046)
	<u>163,293</u>	<u>674,160</u>	<u>11,940</u>	<u>849,393</u>
At 31 March 2024	163,293	674,160	11,940	849,393
Carrying amount				
At 31 March 2024	<u>8,474,904</u>	<u>98,091</u>	<u>-</u>	<u>8,572,995</u>
At 31 March 2023	<u>8,474,905</u>	<u>105,226</u>	<u>-</u>	<u>8,580,131</u>

EOTHEN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

10 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2023	1,913,002
Additions	128,404
Valuation changes	93,789
Disposals	(45,675)
	<hr/>
At 31 March 2024	2,089,520
	<hr/>
Carrying amount	
At 31 March 2024	2,089,520
	<hr/>
At 31 March 2023	1,913,002
	<hr/>

11 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	49,177	22,272
Prepayments and accrued income	60,532	45,274
	<hr/>	<hr/>
	109,709	67,546
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	78,192	68,279
Trade creditors	81,240	78,370
Other creditors	21,546	19,702
Accruals and deferred income	204,795	182,164
	<hr/>	<hr/>
	385,773	348,515
	<hr/>	<hr/>

EOTHEN HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	90,342	75,388

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.

14 Designated 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.

	Balance at 1 April 2023	Resources expended	Transfers	Balance at 31 March 2024
	£	£	£	£
Planned maintenance fund	424,248	(92,894)	117,634	448,988
Capital fund	8,580,131	-	(7,136)	8,572,995
	9,004,379	(92,894)	110,498	9,021,983

15 Related party transactions

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

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 Indemnity Insurance

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

18 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 2024

19	Cash generated from operations	2024 £	2023 £
	Surplus for the year	754,893	621,010
	Adjustments for:		
	Investment income recognised in statement of financial activities	(131,026)	(23,467)
	(Gain)/loss on disposal of tangible fixed assets	-	11,418
	Fair value gains and losses on investments	(93,787)	26,098
	Depreciation and impairment of tangible fixed assets	32,830	75,543
	Movements in working capital:		
	(Increase)/decrease in debtors	(42,163)	37,134
	Increase in creditors	37,258	19,420
	Cash generated from operations	<u>558,005</u>	<u>767,156</u>

20 Analysis of changes in net funds

The charity had no material debt during the year.

