ST CUTHBERT'S CARE

England & Wales · Charity number 512912

Details

Other names	CATHOLIC CARE NORTH EAST, ST CUTHBERTS CARE, Alan Shearer Foundation, Fostering North East, SCC
Status	Registered
Legal form	Charitable company
Company number	01645917
Registered	1982-07-28
Register	View on the Charity Commission register

Contact

Address	St. Cuthberts Care St. Cuthberts House West Road Newcastle Upon Tyne NE15 7PY
Phone	01912280111
Email	enquiries@stcuthbertscare.org.uk
Website	www.stcuthbertscare.org.uk

Activities

Objects: 6. ObjectsThe objects (Objects) for which the Charity is established are to undertake all such forms of social welfare work as the Charity with the approval of the Bishop considers appropriate (being forms of work which are lawful charitable objects) including (but without prejudice to the generality of the foregoing):6.1 acting as a post-adoption agency;6.2 providing fostering and related services;6.3 providing residential accommodation, care and support for children and young people;6.4 providing nursing homes, care and support for older people;6.5 providing facilities, services, care and support for people with physical or mental disability; and6.6 carrying on community projects for people living in poverty, isolation or other need.

Activities: St Cuthbert's Care undertakes social welfare work which benefits the public as a whole. The Charity's services - residential care for children and adults, respite care for profoundly disabled people, day care, social work, fostering, and community work - help care for and support children, adults and families throughout the North East and represent the Charity's principal activities.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups, The General Public/mankind

Geography

- Darlington
- Durham
- Gateshead
- Hartlepool
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Stockton-on-tees
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£13,276,781	£13,098,960	£8,129,676	306
2024-03-31	£12,517,644	£11,811,677	£7,951,855	293
2023-03-31	£10,549,035	£10,534,815	£7,245,888	268
2022-03-31	£10,160,348	£9,948,370	£7,231,668	291
2021-03-31	£9,802,918	£9,666,486	£7,019,690	294

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Trustees

Name	Role	Appointed
Paul Moran	Chair	2014-05-01
Alexandra Johnson		2020-01-24
Dr Kathryn Mannix FRCP		2020-01-24
Laura Sharpe		2025-10-06
NICHOLAS Alexander GILBERT ACMA		2014-04-01
Paul John Fairlamb		2025-10-06
Rev Adrian Tuckwell		2025-10-06
Right Rev Stephen Wright LLB, STL		2023-08-23

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ST CUTHBERT'S CARE

England & Wales - Charity number 512912

Accounts

St Cuthbert's Care

(A company limited by guarantee)

Annual Report

for the year ended 31 March 2025

Registered Number 1645917

Registered Charity Number 512912

St Cuthbert's Care

Annual Report

for the year ended 31 March 2025

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St Cuthbert's Care

Directors and Advisors for the year ended 31 March 2025

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Directors

Right Rev. Bishop S Wright	
Mr M Dickson MBE	
Mr N Gilbert	(Chief Executive)
Mrs A Johnson	
Dr K Mannix	
Mr P Moran	(Chair)
Mrs K Urwin	

Company secretary and registered office

Mrs J Nichol
St Cuthbert's House
West Road
Newcastle upon Tyne
NE15 7PY

Independent Auditors

S&W Partners Audit Limited (formerly CLA Evelyn Partners Limited)
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Bankers

National Westminster Bank PLC
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

St Cuthbert's Care

Directors' report for the year ended 31 March 2025

The Directors present their strategic report for the year ended 31 March 2025.

Objectives and activities
The Charity's Statement of Purpose reads:

St Cuthbert's Care is a charity working for the common good by enabling people to develop to their personal potential

The Charity's Vision reads:

To achieve excellence in all that we do

The Charity Values:

This year, we refreshed our core values in collaboration with our employees - ensuring they are not only meaningful but fully embedded in everything we do as a charity:

Cherishing Life	We recognise the individuality of each person by upholding the principles of dignity, equality and diversity.
Achieve	We enable people to achieve their personal potential by fostering a culture of empowering and motivation, fulfilling our purpose.
Respect	We show kindness to everyone and through listening and understanding allow people to have a clear voice.
Empathy	We employ a person-centred approach that enables us to provide care and support for individuals by recognising their unique circumstances, perspective and needs
Responsibility	We encourage everyone, regardless of their role, to take responsibility for ensuring the safety and wellbeing of our residents, safeguarding them from any potential harm or abuse.

The Charity is a frontline registered care provider which benefits the public as a whole and the core services below represent the Charity's principal activities:

- residential care homes for children, including fostering;
- a range of residential and day services for disabled children and adults; and
- two nursing and residential care homes for older adults.

In addition, the Charity fundraises to provide services to support the most impoverished and disadvantaged people across the North East.

The Charity's strategic Five-Year Plan for the period 2025-2030, was approved by the Directors in 2024. The Directors monitor progress and review the plan each year.

The Directors have reviewed the Charity's Statement of Purpose, together with its Vision and Aims and Objectives and are satisfied that the Charity continues to meet the requirements of the Charity Commission's guidance on public benefit.

Achievements and performance

The Charity's activities include a broad range of complex care services across the North East, regulated by Ofsted for children's services and the Care Quality Commission (CQC) for adult services. The regulators undertake planned and unannounced inspections. Three of the Charity's services were inspected during the year, one improving to "Outstanding" and two remaining as "Good". These inspections offer an independent measure of the Charity's performance and all of the Charity's services are rated "Good" or "Outstanding". The Charity's two day centres for people with disabilities, the Hub@Parkhead and the Alan Shearer Centre, are not regulated areas of work.

All the Charity's services reflect the high standards and quality care that are delivered by the Charity's care teams. The Charity's Vision is "to achieve excellence in all that it does" and there can be no better measure of the Charity's performance than the feedback received from residents, families, our teams and fellow professionals. The Directors consider these testimonials to be a direct demonstration of the Charity's values and progress. More detail can be accessed from the Charity's Annual Review, website and social media pages at https://linktr.ee/stcuthbertscare.

The Charity's significant achievements this year include:

- St Catherine's Nursing Home's successful Gold Standards Framework accreditation has enabled the home to make links with the Newcastle hospital's palliative care discharge team to increase the home's source of referrals and to ensure that outstanding end of life care is provided.
- Despite the significant increases in the minimum wage and the employer national insurance contributions we remain an accredited Living Wage Employer. This is one way the Charity demonstrates how it values its employees and rewards them for their continued dedication and care for the people we support. In addition the Charity aims to provide rewarding careers by developing people to their personal potential. During the year it has promoted 10 employees and 27 employees completed their Care Certificate/Leader in Adult Care Apprenticeship training.
- Sustainability and reducing the impact on the environment is one of the Charity's objectives and during the year the Charity commenced the Green Mark sustainability accreditation process with half the Charity's locations achieving Level 1 accreditation with the remainder expected to be accredited during Summer 2025. The Charity's environmental team are assessing and discussing sustainable practices to reduce, reuse & recycle in preparation of achieving Level 2 accreditation. As part of this objective the Charity is replacing its standard energy supply contracts with supplies from renewable sources and during the year contracted for 19% of its annual electricity spend from renewable sources with the remaining electricity contracts due for renewal in April 2026. Energy usage is also being reduced by installing energy efficient LED lighting throughout the Charity.
- Last year we installed circadian lighting in our dementia care areas to mimic natural daylight patterns, helping to improve sleep, mood and daytime alertness, while also reducing the risk of falls for those residents living with Dementia. This year Dementia Lead, Dr Ruth Cromarty, partnered with the manufacturer to conduct research into a new product which uses acoustics to alert care staff to potential care needs of residents which provides both an early alert to potential issues and reduces residents being unnecessarily disturbed.
- As part of our commitment to inclusive and person-centred support, we have developed the White Sensory Room at the Alan Shearer Centre into a dedicated quiet space for our neurodiverse members. This calm, low-stimulation environment has been carefully designed to provide a safe retreat for individuals who may become overwhelmed by sensory input. The space enhances our existing facilities and reflects our ongoing efforts to adapt and evolve in line with the needs of those we support.
- Our lunch club at Holy Cross continues to provide a vital social lifeline for older, sometimes isolated, individuals in the local community. Over the past year, we have served more than 850 subsidised meals, offering not only nutritional support but also meaningful opportunities for connection and companionship. The positive response has strengthened our commitment to supporting older people and has directly influenced

the expansion of our provision for older people. We have recently developed an additional Independent Living Flat at Holy Cross, which is now occupied by a long-standing member of the lunch club. This seamless transition from community support to independent living demonstrates the value of our integrated approach and our dedication to providing flexible, compassionate care that evolves with the needs of those we serve.

Financial review
The Statement of Financial Activities for the year is set out on page 14 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

The Charity's income increased by 6.1% to £13,276,781 (2024: £12,517,644). The majority of this increase reflecting operating at near full occupancy at a service for adults with disabilities which opened during 2023/24 and fee increases at both nursing homes. A lower average occupancy resulted in a 14% drop in income from the care of children, but the Charity's senior management are confident that the vacancies will be short-term. Annual fee uplifts from local authority commissioners continue to be below the level of National Living Wage and general inflation and employers' national insurance increase which is not sustainable in the longer term.

Fundraising
The Charity is deeply grateful for the generosity of its supporters. Donated income including legacies, received both directly and via parish collections, increased by 19% during the year. Donations and legacies continue to be vital in enabling the Charity to support some of the most vulnerable members of society - particularly in areas where no statutory funding is available. This includes our support of Joe's Place in Gateshead and the lunch club in Sunderland, both of which offer a warm meal and a friendly space for those experiencing hardship or social isolation.

We are very thankful for a generous legacy received in the year from former Chief Executive, Austin Donohoe, whose vision and dedication played a pivotal role in shaping the Charity's direction and success. Austin led the development of several key services, including the Alan Shearer Centre, Auton Children's Services, St Catherine's Nursing Home and the acquisition of Holy Cross Care Home. His lasting impact on our work and enduring commitment to those we support is sincerely appreciated.

Fundraising is coordinated by the Charity's own employees, volunteers and patrons. The Charity contracts with an external fundraiser to support income generation for the Alan Shearer Foundation, which funds the activities provided free of charge at the Alan Shearer Activity Centre. Income is raised through voluntary contributions from individuals, local businesses and organised events.

The Alan Shearer Foundation raised £493,854 during the year (2024: £643,638), the decrease due to the timing of fundraising balls and a £100,000 legacy donation in the previous financial year. The Directors express their most sincere thanks to patrons, Lainya and Alan Shearer CBE, and family, for their unwavering support of the Charity. They would also like to acknowledge and thank patron, Mike Browne, for his donations and continued support of Alan's Foundation since its launch in 2012.

The Charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice. The Charity does not participate in any fundraising that may be considered aggressive or intrusive and has received no complaints during the year in connection with its fundraising.

Cashflow
The Charity's cash balance increased by £244,526 during the year to £3,559,450 and includes the restricted reserves of £593,858.

Resources expended
Total expenditure increased by 10.9% to £13,098,960 (2024: £11,811,677). The majority of this increase being in higher salaries to the Charity's employees with the continued higher rate of inflation accounting for the balance.

Employees and volunteers

Good care starts with good people and the Charity relies on the compassionate care and professionalism of its employees and volunteers to ensure that care services are person-centred and delivered with dignity and respect. The Charity had an average of 306 (2024: 293) full and part-time employees delivering care and support during the year. Volunteers, through their time and enthusiasm, add value to the Charity's services, enriching the lives of the Charity's beneficiaries. The Charity benefited from over 6,000 volunteer hours during the year and we welcome anyone who would like to support the Charity by volunteering.

The dedication and commitment of our care teams to the Charity's beneficiaries ensures they continue to receive the best possible care. The training and development of employees not only helps to achieve this for the people we support but also, in accordance with the Charity's Purpose, seeks to enable our employees to develop to their personal potential. We recognise the demands on our teams of working in the social care sector and of life generally. The Charity's mental health first aiders are there to support their colleagues when in need and additionally offers a free confidential counselling service available to all our employees.

These actions evidence the Charity's commitment to its employees and very much reflect the Charity's culture in valuing and respecting every individual.

The Charity's recruitment policies re-enforce our commitment to equal opportunities in employment. The Charity's Values Based approach to recruitment ensures we employ, train and promote employees based on their values, abilities and qualifications without regard to age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief, sex or sexual orientation. The Charity is also an approved user of the *Positive about Disabled People* symbol, has achieved the *Better Health at Work* accreditation and was awarded the "North of Tyne Good Work Pledge". The Charity remains committed to maintaining its status as an accredited real Living Wage Employer.

The Charity's gender pay gap report shows that the Charity's workforce is predominantly female – a profile which reflects the social care sector as a whole. All employees are paid the same rate for the job grade regardless of gender.

All new employees and volunteers undertake a thorough programme of induction training. This marks the beginning of a career-long learning programme at St Cuthbert's Care. The employee handbook, together with staff association meetings, intranet, team meetings and regular briefings help to keep employees informed of the Charity's initiatives and performance.

Plans for future periods

The Directors consider the most appropriate way forward for the Charity is to deliver upon its Five-Year Plan for 2025-2030, an outline of which is noted below. The Chief Executive, supported by the senior management team, continue to focus upon the implementation of this plan which will generate new income and will continue to keep the Charity's employees and beneficiaries at the heart of its work whilst also being alert to new opportunities.

- That every service delivers a person-centred approach to support, ensuring that outcomes are specific for the individual. Progress will be measured by internal reviews by the senior team and externally by regulatory ratings.
- Prioritise employee personal and professional development to support each individual to thrive and reach their personal potential, with the aim of enhancing the quality of care and support, improve employee retention through internal development opportunities and support succession planning at all levels. Progress is measured by surveys, internal promotions, and employee turnover rates.
- Increase engagement and communication with all stakeholders (people we support, employees & volunteers, parishes, schools and donors) to improve awareness of the Charity's work. Performance measured by survey, employee turnover, compliments & complaints, donations and network of stakeholders.

- A commitment to sustainable practices across all the Charity's services in order to reduce the Charity's impact on the environment. Measured by external assessment.
- That all revenue generating services generate a surplus. The Charity achieves a surplus of 5% to ensure the Charity remains financially viable, is able to invest in its existing services and has the resources to develop new services to meet any un-met demand.
- Investment in children's residential services including offering a leaving care service to support young people transitioning from our 24/7 residential care to independent living.
- Expansion of Fostering North East, recruiting additional carers to improve diversity.
- Develop and implement an improvement plan to ensure that care services for older people are independently financially viable.
- Produce a long-term strategic plan for the Holy Cross site.
- Seek opportunities to deliver community / charitable services to embed the Charity in the community it serves.

Principal risks and uncertainties

The Charity's core work is in social care provision, and as noted earlier in this report, risk management is embedded in every aspect of the Charity's activities. The Directors have considered the Charity's risks and seek to mitigate them as far as is practical.

The Directors consider the under-funding of services by commissioning bodies that is prevalent across the whole of the social care sector and the recruitment of skilled care workers to be the most significant risks facing the Charity in the medium to long term.

In addition, the Charity must operate with high occupancy levels due to the high fixed costs of operating care services. High occupancy levels ensure regular cash flows which helps mitigate the under-funding of care. Any surplus is re-invested in the Charity's services.

The Charity's reputation for delivering high quality care helps ensure a steady flow of referrals from placing authorities. The Charity also undertakes annual fee negotiations for every service. The Directors consider these actions, along with a strong culture of transparency and prudent stewardship will enable the Charity to manage the sector-wide challenges it faces.

The Charity's forecast and budget for the coming year indicate an operating deficit is possible if higher occupancies are not achieved and/or the current fee uplifts for 2025/26 are not increased. The Charity's cash reserves remain sufficient that should a deficit be incurred the Charity will remain able to pay its debts as they fall due beyond 12 months from signing this report.

The Charity's work is the provision of essential social care services commissioned by local authorities and there remains strong demand for the Charity's services. The Charity's excellent reputation with commissioning authorities adds further comfort. The Directors continue to expect this and future financial years to be challenging due to the potential under-funding of services but are confident that through effective management, backed up by healthy cash reserves, the Charity will be able to manage the challenges ahead.

More details about the Charity's services, testimonials and information on future developments can be found on the Charity's website: https://stcuthbertscare.org.uk.

Structure, governance and management

The Charity was founded in 1946 and then incorporated in England as a charitable company limited by guarantee on 23 June 1982. It is governed by Articles of Association which were last amended on 25 June 2024. Its objects are to carry out all forms of social care.

Governance and internal control
The Articles of Association allow for up to 12 directors to be appointed at any one time. The Directors are also trustees. The Board of Directors meets quarterly and has appointed a Chief Executive to manage the day-to-day activities. The Chief Executive is a director.

The Board is supported by three sub-committees:

- The Audit, Finance and Risk sub-committee oversees the finances and management of risk for the Charity. Effective risk management is embedded within the culture of St Cuthbert's Care. The managers of the Charity's services implement, review and amend risk management plans as and when required. A risk panel, comprising the Charity's key management personnel and the Director of Compliance, meets monthly to assess all risks to the Charity, both potential and actual, and implements appropriate controls.

- The Remuneration sub-committee benchmarks and reviews salaries and benefits across the Charity.

- The Nominations sub-committee considers suitable applicants to be proposed to the full Board for consideration for appointment as directors. Directors are interviewed and proposed by the Nominations sub-committee and appointed by invitation of the Bishop. The Charity aims to ensure and maintain a balance of skills and experience relevant to the work and business needs of the Charity.

Key management personnel

Chief Executive	Nic Gilbert
Director of Care & Deputy Chief Executive	Amanda Head
Director of Children's Services	Jody Scott
Director of Compliance	Gill Ennis
Financial Controller	Julie Nichol
HR Lead	Denise Hall

Directors
The directors of the company during the year and up to the date of signing are listed on page one.

The Charity inducts every director upon appointment and provides training days. These include refresher training on trustees and directors' legal duties and responsibilities. Visits to the Charity's services enable the Directors to meet the Charity's beneficiaries and employees. These visits make for more informed decision making at the Charity's Board meetings.

Investment policy
Under the Articles of Association, the Charity has the power to make any investment which the Directors see fit. Currently, and throughout the year, funds have been invested in short term cash deposits only. The Directors consider this to be the most appropriate course given the short term needs of the Charity.

Insurance of directors
The company had during the year ended, and continues to maintain, appropriate insurance for the Directors in respect of liabilities that may arise against them personally in connection with their duties as directors of the company and as trustees.

Pay policy for senior employees
The pay of senior employees is reviewed annually by the Directors. Part of this process includes the benchmarking of local market rates in similar organisations.

Reserves policy
The Directors require the Charity's general reserves to be sufficient to allow St Cuthbert's Care the flexibility to continue to operate and develop in accordance with the Charity's Statement of Purpose and Articles of Association. The Directors believe it prudent to hold general reserves of £2.3m, which they consider is required to meet the financial risks the Charity may face, as identified in the annual budgeting process for potential downside sensitivities.

As at 31 March 2025, the current level of the general reserves is £2.310m. The Directors review the policy on reserves on an annual basis as part of the annual budgeting process and monitor the level of reserves throughout the year.

In addition there is one designated fund and one restricted fund maintained by the Charity, details of which can be found in note 18 in the financial statements.

Statement of directors' responsibilities
The Directors (who are also Trustees of St Cuthbert's Care for the purposes of charity law) are responsible for preparing the Directors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the charitable company's website and social media accounts. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors
In so far as the Directors are aware at the time of approving this report:

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors
The auditors, S&W Partners Audit Limited, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Paul Moran
Chair
23 July 2025

Independent auditors' report to the members of St Cuthbert's Care for the year ended 31 March 2025

Opinion

We have audited the financial statements of St Cuthbert's Care (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Reconciliation of Funds, the Balance Sheet as at 31 March 2025, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2025, and of the company's 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 charitable company 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 charitable company'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.

Independent auditors' report to the members of St Cuthbert's Care (continued)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report, which includes the Strategic Report, is prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which includes the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the Strategic 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 and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Responsibilities of trustees
As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors(who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements which 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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

Independent auditors' report to the members of St Cuthbert's Care (continued)

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.

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the charitable company's industry and regulations.

We understand that the company complies with the framework through:

- Engaging external legal professionals as required and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.
- Monitoring of updates made by regulatory bodies.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the charitable company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- The Charities Act 2011 and the Charities: Statement of Recommended Practice in respect of the preparation and presentation of the financial statements.
- The Requirements of Ofsted and the Care Quality Commission.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Obtaining an understanding of the internal controls established to mitigate risks related to non-compliance with laws and regulations;
- Reviewing the minutes of meetings of those charged with governance;
- Reviewing the reports and communications issued by Ofsted and the Care Quality Commission; and
- Reviewing a sample of legal and professional fees to ensure that any claims, litigation or other compliance related matters were identified and appropriately disclosed.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via fraudulent journal entries and management overriding controls.
- The incorrect recognition of fee revenue from fraud or error, around the period end.
- The incorrect recognition of donation revenue from fraud or error.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Performed data analytics on the general ledger against client specific criteria
- Selected a sample of journal entries using client specific risk criteria and agreed to supporting evidence
- Recalculation of fee income for a sample of service users throughout the year which was compared with actuals to ensure fee income was complete, accurate and occurred in the financial year.
- Obtained third party evidence for a sample of donations to ensure occurrence

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

C. Henderson

Craig Henderson (Senior Statutory Auditor)
For and on behalf of S & W Partners Audit Limited
Statutory Auditors
Chartered Accountants

29 July 2025

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

St Cuthbert's Care

Statement of financial activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2025

	Note	Unrestricted funds	Restricted funds	2025 Total	2024 Total
		£	£	£	£
Income					
Income from charitable activities					
Care for children		**2,242,844**	**-**	**2,242,844**	2,604,639
Care for people with disabilities		**3,875,143**	**-**	**3,875,143**	3,103,823
Care for older people		**5,263,276**	**-**	**5,263,276**	4,879,191
Grants receivable		**-**	**-**	**-**	-
Fostering & social work		**900,056**	**-**	**900,056**	941,564
Income from donations, legacies and other trading activity					
Donations		**109,431**	**107,030**	**216,461**	244,163
Legacies		**271,567**	**74,517**	**346,084**	228,521
Other trading activities		**33,369**	**291,621**	**324,990**	436,426
Investment income		**87,241**	**20,686**	**107,927**	79,317
Total income		**12,782,927**	**493,854**	**13,276,781**	12,517,644
Expenditure					
Expenditure on charitable activities	1	**12,443,575**	**430,070**	**12,873,645**	11,655,513
Expenditure on raising funds					
Donations and legacies	2	**15,553**	**-**	**15,553**	5,670
Other trading activities	2	**10,941**	**198,821**	**209,762**	150,494
Total expenditure		**12,470,069**	**628,891**	**13,098,960**	11,811,677
Net income / (deficit) for the year	6	**312,858**	**(135,037)**	**177,821**	705,967

All operations are continuing.

All gains and losses in the year are included in the Statement of Financial Activities.

St Cuthbert's Care

Reconciliation of funds for the year ended 31 March 2025

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Fund balances at 1 April 2024	7,139,612	812,243	7,951,855	7,245,888
Net income / (deficit) for the year	312,858	(135,037)	177,821	705,967
Transfers	83,348	(83,348)	-	-
Fund balances at 31 March 2025	**7,535,818**	**593,858**	**8,129,676**	7,951,855

St Cuthbert's Care

Balance sheet as at 31 March 2025

Company registration number: 1645917

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	8	**5,225,316**	5,134,766
Total fixed assets		**5,225,316**	5,134,766
Current assets			
Debtors	10	**601,501**	671,083
Cash at bank and in hand		**3,559,449**	3,314,923
Total current assets		**4,160,950**	3,986,006
Creditors: amounts falling due within one year	11	**(1,009,731)**	(890,827)
Net current assets		**3,151,219**	3,095,179
Total assets less current liabilities		**8,376,535**	8,229,945
Creditors: amounts falling due after more than one year	12	**(200,000)**	(225,000)
Provisions for liabilities and charges	14	**(46,859)**	(53,090)
Net assets		**8,129,676**	7,951,855
The funds of the Charity			
Unrestricted funds			
General funds	18	**2,310,502**	2,004,846
Designated funds: Capital assets fund	18	**5,225,316**	5,134,766
		7,535,818	7,139,612
Restricted funds	18	**593,858**	812,243
Total funds	18	**8,129,676**	7,951,855

The financial statements on pages 14 to 30 were approved by the Board of Directors and were signed on its behalf by:

Paul Moran
Chair
23 July 2025

St Cuthbert's Care

Statement of Cash Flows for the year ended 31 March 2025

	Note	2025	2024
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	16	**479,804**	**1,158,319**
Cash flows from investing activities			
Interest received		**107,927**	79,317
Purchase of tangible fixed assets		**(343,705)**	(426,175)
Sale of tangible fixed assets		**500**	-
Net cash used in investing activities		**(235,278)**	(346,858)
Cash flows from financing activities			
Net cash used in financing activities		**-**	-
Change in cash and cash equivalents in the reporting period	17	**244,526**	811,461
Cash and cash equivalents at the beginning of the reporting period		**3,314,923**	2,503,462
Cash and cash equivalents at the end of the reporting period		**3,559,449**	3,314,923

Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Going concern
In the year ended 31 March 2025 the Charity recorded a surplus for the year of £177,821 and had a year end cash position of £3,559,449 with no borrowings.

The overall occupancy level in our two nursing homes increased to 91.2% (2024: 91.1%) and needs to remain at a high level for the homes to remain financially viable.

The Charity's forecasts for the coming year factor in the higher salaries and increased employer national insurance contributions paid to front line carers which are necessary to reward and retain these highly skilled employees to ensure that outstanding care is provided to the Charity's beneficiaries. The Charity has no borrowings but does benefit from higher interest rates for the funds on short term deposit. Fee negotiations are still ongoing with local authorities but it is clear that central and local Government funding constraints are restricting our ability to achieve the fee increases necessary to reach full cost recovery. However, the Charity's cash reserves give comfort that any loss is manageable in the medium term, including at least the next 12 months from the date of signing.

The Directors have reviewed and assessed the financial performance for the first quarter of 2025/2026. A cash flow forecast for the period to August 2026 has been prepared, which considers realistic downside cash flow sensitivities and this together with continued demand for the Charity's care services gives the Directors confidence in continuing to adopt the going concern basis of accounting.

Accounting policies (continued)

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

For legacies, entitlement is the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Donated goods and services
The value of donated goods to the Charity which are for resale are recognised in the financial statements as income when sold due to the low-value of items received.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised; details about the volunteers' contribution can be found in the Directors' report.

Expenditure
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs include expenditure which cannot be directly attributed to particular headings and have therefore been allocated to activities on the basis of employee costs. Governance costs represent the legal and professional fees of running the Charity and costs associated with preparing and holding Board meetings and are included within support costs. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets
Fixed assets costing more than £7,500 are capitalised and included at purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected lives. The principal annual rates used for this purpose are:

	%
Freehold land	0
Furniture, equipment and plant	5 - 33
Motor vehicles	20
Assets in the course of construction	0

Freehold and long leasehold buildings are depreciated over 50 years or, if shorter, over the period of the lease.

Accounting policies (continued)

Fixed asset investments
Fixed asset investments are stated at the lower of cost or net realisable value.

Operating leases
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable are charged on straight line basis over the term of the lease.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

Financial Instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grants receivable
Grants, including those for the purchase of fixed assets, are recognised in full when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Fund accounting
General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in note 18 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Accounting policies (continued)

Pension costs
The Charity makes available a defined contribution pension scheme to employees to which it contributes. The scheme originally set up as a stakeholder pension scheme meets the automatic enrolment rules.

There is a historical unfunded pension liability and adjustments to this pension liability, referred to in note 14, are made in line with actuarial factors based on the invoiced costs from the administering authority and adjusted to include a cost of living increase. These costs are included in the SOFA.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires management to make estimates and judgements. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors consider there to be no significant estimates or judgements made during the year which had a material impact on the results reported in the financial statements.

Notes to the financial statements for the year ended 31 March 2025

1 Expenditure on charitable activities

	Direct costs £	Support costs £	**2025 £**	2024 £
Care for people with disabilities	3,768,505	342,546	**4,111,051**	3,260,310
Care for older people	5,381,790	470,980	**5,852,770**	5,549,008
Care for children, fostering & social work	2,722,546	187,278	**2,909,824**	2,846,195
	11,872,841	1,000,804	**12,873,645**	11,655,513

2 Expenditure on raising funds

	Direct costs £	Support costs £	**2025 £**	2024 £
Voluntary income, donations & legacies	14,019	1,534	**15,553**	5,670
Activities for generating funds	203,696	6,066	**209,762**	150,494
	217,715	7,600	**225,315**	156,164

3 Support costs

Support costs, including governance costs of £29,204 (2024: £29,371), not directly attributable to projects have been allocated on the basis of employee costs and are analysed below:

	Employee costs £	Depreciation £	Other costs £	**2025 £**	2024 £
Charitable activities	596,900	18,994	384,910	**1,000,804**	979,095
Raising funds	4,533	144	2,923	**7,600**	4,225
	601,433	19,138	387,833	**1,008,404**	983,320

4 Employee costs

	2025	2024
	£	£
Employee costs:		
Wages and salaries	**8,774,509**	7,919,604
Social security costs	**735,034**	629,386
Pension costs	**201,711**	149,816
	9,711,254	8,698,806

The pension costs were charged through the Statement of Financial Activities in respect of the defined contribution scheme operated for employees and allocated between activities both restricted and unrestricted funds on the basis of employee costs.

The company maintains insurance for its employees in respect of their duties as employees as part of its overall insurance policy. Six employees received emoluments above £60,000 (2024: three). Four of the employees are in the band £60,000-£70,000 (2024: two), one employee is in the band £70,000-£80,000 (2024: none), no employees in the band £80,000-£90,000 (2024: one) and one employee is in the band £90,000-£100,000 (2024: none).

The key management personnel of the Charity comprise the Chief Executive, the Director of Care, the Director of Children's Services, the Director of Compliance, the Financial Controller and the HR Lead. The total employee benefits of the key management personnel of the Charity were £386,595 (2024: £403,680).

The average monthly number of employees, analysed by function was:

	2025 Number	2025 Full-Time Equivalent	2024 Number	2024 Full-Time Equivalent
Charitable activities	**305**	**233**	292	232
Expenditure on raising funds	**1**	**1**	1	1
	306	**234**	293	233

5 Directors' emoluments

	2025	2024
	£	£
Aggregate emoluments and fees	**93,713**	89,250

Emoluments are paid to one director (2024: one), the Chief Executive for services as a director and not as a trustee of the Charity. Provision for payments to the Chief Executive and the Finance Director are made in the company's Articles of Association. Included in the above are contributions made to the Charity's pension scheme in respect of this director of £4,463 (2024: £4,250). The Director received no reimbursement of travel expenses in the year (2024: £Nil).

Other than as noted above, no director was entitled to nor received any remuneration for their services (2024: £Nil) or were accruing benefits under the pension schemes (2024: £Nil) or received reimbursement of their expenses (2024: £Nil).

6 Net income for the year

Net income for the year is stated after charging:	2025	2024
	£	£
Depreciation charge for the year	**253,155**	233,460
Auditors' remuneration for audit services	**25,200**	23,952

7 Taxation

The company is a charity established under the Charities Act 2011. It is therefore exempt from taxation in respect of income and capital gains received within categories covered by S505 Income and Corporation Taxes Act 1988 or S256 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to charitable purposes only.

8 Tangible assets

	Freehold & long leasehold buildings	Furniture equipment and plant	Motor vehicles	Assets in the course of construction	Total
	£	£	£	£	£
Cost					
At 1 April 2024	6,432,782	2,922,958	73,656	39,176	9,468,572
Additions	116,809	128,229	-	98,667	343,705
Disposals	-	-	(27,736)		(27,736)
Transfers	39,176	-	-	(39,176)	-
At 31 March 2025	**6,588,767**	**3,051,187**	**45,920**	**98,667**	**9,784,541**
Accumulated Depreciation					
At 1 April 2024	2,279,722	1,980,428	73,656	-	4,333,806
Charge for the year	109,200	143,955	-	-	253,155
Eliminated in respect of disposals	-	-	(27,736)	-	(27,736)
At 31 March 2025	**2,388,922**	**2,124,383**	**45,920**	**-**	**4,559,225**
Net book value					
At 31 March 2025	**4,199,845**	**926,804**	**-**	**98,667**	**5,225,316**
At 31 March 2024	4,153,060	942,530	-	39,176	5,134,766

9 Capital commitments

Capital expenditure authorised and contracted for but not provided for in the accounts amounts to £313,947 (2024: £237,401). This is for expenditure relating to two lift refurbishments and the creation of a third independent living apartment at one of our care homes. This work will be completed during the 2025-2026 financial year.

10 Debtors

	2025 £	2024 £
Trade debtors	**452,271**	385,093
Other debtors	**6,614**	2,278
Prepayments and accrued income	**142,616**	283,712
	601,501	671,083

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	**418,711**	229,334
Other creditors	**13,300**	108,676
Taxation and social security	**196,634**	174,419
Accruals and deferred income	**381,086**	378,398
	1,009,731	890,827

12 Creditors: amounts falling due after more than one year

	2025 £	2024 £
Deferred income	**200,000**	225,000
	200,000	225,000

The Directors expect the deferred income to be released to the Statement of Financial Activities over the next 9 years. It relates to the prepayment of rental income for office space by the Roman Catholic Diocese of Hexham & Newcastle and is being released at a rate of £25,000 per annum (2024: £25,000).

13 Reconciliation of deferred income

	2025 £	2024 £
At 1 April	250,000	275,000
Released during the year	(25,000)	(25,000)
At 31 March	**225,000**	**250,000**

There is £25,000 of this deferred income balance included within creditors falling due within one year.

14 Provisions for liabilities and charges

Analysis of amounts charged through the statement of financial activities

	Pension provision £
At 1 April 2024	53,090
Established during the year	3,641
Utilised during the year	(9,872)
At 31 March 2025	**46,859**

The pension provision relates to the unfunded pensions liabilities for former teachers of two schools formerly managed by the Charity. The provision is updated annually based upon actuarial calculations. The Directors expect all liabilities to be met over the next 7 years.

The provision is anticipated to fall due as follows:

	2025 £	2024 £
In less than one year	**9,720**	9,576
Between one and two years	**10,012**	9,864
Between two and five years	**20,418**	20,117
In more than five years	**6,709**	13,533
	46,859	53,090

15 Share capital

The company does not have any share capital and is limited by guarantee. The members of the company are the Directors and their guarantee is limited to £1 each.

16 Reconciliation of net Income to net cash provided by operating activities

	2025 £	2024 £
Net Income	**177,821**	705,967
Depreciation on tangible fixed assets	**253,155**	233,460
Profit on disposal of fixed assets	**(500)**	-
Decrease in deferred income	**(25,000)**	(25,000)
Decrease in provisions	**(6,231)**	(10,233)
Decrease in debtors	**69,582**	158,660
Increase in creditors	**118,904**	174,782
Interest received	**(107,927)**	(79,317)
Net cash provided by operating activities	**479,804**	1,158,319

17 Analysis of net funds

	1 April 2024 £	Cash flow £	**31 March 2025 £**
Cash at bank and in hand	3,314,923	244,526	3,559,449
Net funds	3,314,923	244,526	**3,559,449**

18 Statement of funds

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
General funds	2,004,846	12,782,927	(12,470,069)	(7,202)	**2,310,502**
Designated funds					
Capital assets fund	5,134,766	-	-	90,550	**5,225,316**
Total unrestricted funds	7,139,612	12,782,927	(12,470,069)	83,348	**7,535,818**
Restricted funds:					
Alan Shearer Foundation	812,243	493,854	(628,891)	(83,348)	**593,858**
Total restricted funds	812,243	493,854	(628,891)	(83,348)	**593,858**
Total funds	7,951,855	13,276,781	(13,098,960)	-	**8,129,676**

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
General funds	800,000	11,874,006	(11,333,140)	663,980	**2,004,846**
Designated funds					
Capital assets fund	5,628,746	-	-	(493,980)	5,134,766
Total unrestricted funds	6,428,746	11,874,006	(11,333,140)	170,000	7,139,612
Restricted funds:					
Alan Shearer Foundation	817,142	643,638	(478,537)	(170,000)	**812,243**
Total restricted funds	817,142	643,638	(478,537)	(170,000)	**812,243**
Total funds	7,245,888	12,517,644	(11,811,677)	-	7,951,855

Purpose of Funds

The General fund represents the free funds of the Charity which are not designated for particular purposes.

The Capital assets fund represents the book value of land, buildings and fixtures in use by the Charity for the provision of services in furtherance of the Charity's objects. These funds are therefore unavailable for other use.

The Charity has one restricted fund. The Alan Shearer Foundation which represents those funds raised by the Foundation which have not yet been spent on charitable activities.

18 Statement of funds (continued)

Analysis of net assets between funds (current year)

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 March 2025 are represented by:				
Fixed assets		5,225,316		**5,225,316**
Current assets	593,858	-	3,567,092	**4,160,950**
Current liabilities	-	-	(1,009,731)	**(1,009,731)**
Long term liabilities and provisions		-	(246,859)	**(246,859)**
Net assets at 31 March 2025	593,858	5,225,316	2,310,502	**8,129,676**

Analysis of net assets between funds (prior year)

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 March 2024 are represented by:				
Fixed assets		5,134,766		**5,134,766**
Current assets	812,243	-	3,173,763	**3,986,006**
Current liabilities	-	-	(890,827)	**(890,827)**
Long term liabilities and provisions		-	(278,090)	**(278,090)**
Net assets at 31 March 2024	812,243	5,134,766	2,004,846	**7,951,855**

19 Related party transactions

The Charity has a close but arm's length working relationship with the Roman Catholic Diocese of Hexham & Newcastle, which is also a charity. The Charity invoiced £74,945 (2024: £90,761) to the Roman Catholic Diocese of Hexham and Newcastle in respect of shared costs associated with the provision of offices for both parties. As at 31 March 2025 £11,998 (2024: £10,697) remained outstanding and is included in debtors.

ST CUTHBERT'S CARE

England & Wales - Charity number 512912

Accounts

St Cuthbert's Care

(A company limited by guarantee)

Annual Report

for the year ended 31 March 2024

Registered Number 1645917

Registered Charity Number 512912

St Cuthbert's Care

Annual Report

for the year ended 31 March 2024

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St Cuthbert's Care

Directors and Advisors for the year ended 31 March 2024

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Directors

Right Rev. Bishop S Wright	(Appointed 23 August 2023)
Mr M Dickson	
Mr N Gilbert	(Chief Executive)
Mrs A Johnson	
Dr K Mannix	
Mr P Moran	(Chair)
Mrs K Urwin	

Company secretary and registered office

Mrs J Nichol
St Cuthbert's House
West Road
Newcastle upon Tyne
NE15 7PY

Independent Auditors

CLA Evelyn Partners Limited
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Bankers

National Westminster Bank PLC
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

St Cuthbert's Care

Directors' report for the year ended 31 March 2024

The Directors present their strategic report for the year ended 31 March 2024.

Objectives and activities
The Charity's Statement of Purpose reads:

St Cuthbert's Care is a charity working for the common good by enabling people to develop to their personal potential

The Charity's Vision reads:

To achieve excellence in all that we do

The Charity is a frontline registered care provider which benefits the public as a whole and the core services below represent the Charity's principal activities:

- residential care homes for children, including fostering;
- a range of residential and day services for disabled children and adults; and
- two nursing and residential care homes for older people.

In addition, the Charity fundraises to provide services to support the most impoverished and disadvantaged people across the North East.

The Charity's strategic Five-Year Plan for 2020-2025, was originally approved by the Directors in 2019, with progress reviewed during this period. The Directors have approved the Charity's next Five-Year Plan for the period 2025-2030, more details are provided in the plans for future periods section of this report.

The Directors have reviewed the Charity's Statement of Purpose, together with its Vision and Aims and Objectives and are satisfied that the Charity continues to meet the requirements of the Charity Commission's guidance on public benefit.

Achievements and performance
The Charity's activities include a broad range of complex care services across the North East, regulated by Ofsted for children's services and the Care Quality Commission (CQC) for adult services. The regulators undertake planned and unannounced inspections. These inspections offer an independent measure of the Charity's performance and all of the Charity's services are rated "Good" or "Outstanding". The charity's two day centres for people with disabilities are not regulated areas of work.

The Charity's regulated services, that are independently rated, reflect the high standards and quality care that are delivered by the Charity's care teams. The Charity's Vision is "to achieve excellence in all that it does" and there can be no better measure of the Charity's performance than the feedback received from residents, families, our teams and fellow professionals. The Directors consider these testimonials to be a direct demonstration of the Charity's values and progress. More detail can be accessed from the Charity's Annual Review, website and social media pages at https://linktr.ee/stcuthbertscare.

The Charity's significant achievements this year include:

- St Catherine's Nursing Home becoming the first care home in Newcastle to be accredited with the prestigious Gold Standard Framework (GSF) Hallmark Quality Award for end-of-life care. This national recognition is a testament to the exceptional dedication of our team in ensuring residents live with dignity in their final days. In fact, St Catherine's exceeded expectations during the inspection, achieving an impressive 71 out of 75 points.
- Introducing a range of key initiatives across the Charity, focused on employee wellbeing and professional development. Enabling employees to share ideas or concerns so that we can support them better. During the year we trained 17 Mental Health First Aiders across our services so they can respond to employees needing support either professionally or personally and were awarded the "Good Work Pledge" which recognises the Charity's commitment to fair wages, quality jobs and opportunities for personal growth.
- Being an accredited Living Wage Employer is one way the Charity demonstrates how it values its employees and rewards them for their continued dedication and care for the people we support. It is becoming increasingly difficult to maintain this due to the funding constraints as demonstrated by other organisations having to withdraw from the scheme.
- As part of our ongoing dedication to continuously improve the lives and comfort of the people we support, especially those living with dementia, Dr. Ruth Cromarty, our Dementia Lead, has overseen the installation of circadian lighting in our dementia care areas. This innovative lighting system mimics natural daylight patterns, helping to improve sleep, mood and daytime alertness, while also reducing the risk of falls.
- Opening our second independent living flat at Holy Cross, Sunderland. These modern flats offer the ideal balance of independence alongside 24/7 care and support, giving peace of mind to both residents and their families.
- Providing over 1,600 free nutritious meals to members of our Alan Shearer Centre and their families, allowing them to focus on enjoying the centre's activities without the worry of additional costs. These small yet meaningful actions demonstrate our commitment to supporting people in ways that make a genuine difference.
- The installation of a state-of-the-art immersive room has quickly become a favourite amongst our members at the Alan Shearer Activity Centre. With its innovative design, members can explore outer space, dive into underwater adventures and enjoy interactive activities that engage both visually and audibly, stimulating the senses. The regular review and refurbishment of our services is how we ensure they remain relevant to the needs of the people we support.

Financial review

The Statement of Financial Activities for the year is set out on page 12 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

The Charity's income increased by 18.66% to £12,517,644 (2023: £10,549,035). The majority of this increase reflects the improved occupancy levels in both nursing homes and adult disability service but is offset by below inflation fee uplifts for all our services. Funding for the social care sector restricts our ability to increase fees to adequately reflect the cost of providing high quality care. Interest rate rises resulted in increased returns on our cash deposits. During the latter part of the year we received an unexpected legacy and held the annual fundraiser for the Alan Shearer Foundation which raised 20% more than the previous year.

Fundraising

Donated income from the Charity's supporters both directly and via the parishes decreased slightly. Donations and legacies enable the Charity to support the most vulnerable members of society where often no other funding is available, such as our support of Joe's Place in Gateshead, a service supporting vulnerable people and our lunch

club in Sunderland which addresses social isolation in our older people communities, both of which offer a warm meal and a friendly chat. The Charity is most grateful to all of its supporters. Fundraising is co-ordinated by the Charity's own employees, volunteers and patrons. The charity engaged an external fundraiser during the year, to support and increase the income to the Alan Shearer Foundation to fund the activities at the Alan Shearer Activity Centre. Money is raised through voluntary contributions from the Charity's supporters, local businesses and organised events.

The Alan Shearer Foundation raised £643,638 during the year (2023: £491,423). The Directors express their most sincere thanks to patrons, Lainya and Alan Shearer, and family, for their unwavering support of the Charity. They would also like to acknowledge and thank patron, Mike Browne, for his donations and continued support of Alan's Foundation since its launch in 2012.

The Charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice. The Charity does not participate in any fundraising that may be considered aggressive or intrusive and has received no complaints during the year in connection with its fundraising.

Cashflow
The charity's cash balance increased by £811,461 during the year to £3,314,923, and includes the restricted reserves of £812,243.

Resources expended
Total expenditure this year increased by 12.1% to £11,811,677 (2023: £10,534,815). This reflects increases in salaries to our employees to maintain the charity's commitment to remain a real Living Wage Employer and higher operating costs generally due to specific inflationary factors affecting the social care sector.

Employees and volunteers
St Cuthbert's Care relies on the skills and dedication of its employees and volunteers to ensure that care services are person-centred and delivered with dignity and compassion. During the year, the Charity had an average of 293 (2023: 268) full and part-time employees delivering care and support. Volunteers, through their time and enthusiasm, add value to the Charity's services, enriching the lives of the Charity's beneficiaries. During the year volunteers donated over 6,000 hours of their time to support the charity's activities and beneficiaries. We continue to encourage volunteering throughout the charity.

The dedication and commitment of our care teams to the charity's beneficiaries ensures they continue to receive the best possible care. The training and development of employees not only helps to achieve this for the people we support but also, in accordance with the Charity's Purpose, seeks to enable our employees to develop to their personal potential. We recognise the demands on our teams of working in the social care sector and of life generally and trained 17 employees to act as mental health first aiders to support their colleagues when in need and additionally offer a free confidential counselling service available to all our employees.

These actions evidence the Charity's commitment to its employees and very much reflect the Charity's culture in valuing and respecting every individual.

The Charity's recruitment policies reflect our commitment to equal opportunities in employment. The Charity takes all reasonable steps to employ, train and promote employees based on their values, abilities and qualifications without regard to age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief or sexual orientation. The Charity is also an approved user of the *Positive about Disabled People* symbol, has achieved the *Better Health at Work* accreditation and was awarded the "North of Tyne Good Work Pledge". The Charity remains committed to maintaining its status as an accredited real Living Wage Employer although this is becoming more of a challenge as cost increases continue to exceed fee increases.

The Charity's gender pay gap report shows that the Charity's workforce is predominantly female – a profile which reflects the historical wider nature of the social care sector. All employees are paid the same rate for the job grade regardless of gender.

All new employees and volunteers undertake a thorough programme of induction training. This marks the beginning of a career-long learning programme at St Cuthbert's Care. The employee handbook, together with staff association meetings, intranet, team meetings and regular briefings help to keep employees informed of the Charity's initiatives and performance.

Plans for future periods

The Directors consider the most appropriate way forward for the Charity is to deliver upon its Five-Year Plan for 2025-2030, an outline of which is noted below. The Chief Executive, supported by the senior management team, will focus upon the implementation of this plan which will generate new income and will continue to keep the Charity's employees and beneficiaries at the heart of its work.

- That every service delivers a person-centred approach to support, ensuring that outcomes are specific for the individual. Progress will be measured by internal reviews by the senior team and externally by regulatory ratings.
- Prioritise employee personal and professional development to support each individual to thrive and reach their personal potential, with the aim of enhancing the quality of care and support, improve employee retention through internal development opportunities and support succession planning at all levels. Progress is measured by surveys, internal promotions, and employee turnover rates.
- Increase engagement and communication with all stakeholders (people we support, employees & volunteers, parishes, schools and donors) to improve awareness of the charity's work. Performance measured by survey, employee turnover, compliments & complaints, donations and network of stakeholders.
- A commitment to sustainable practices across all the charity's services in order to reduce the charity's impact on the environment. Measured by external assessment.
- That all revenue generating services generate a surplus. The charity achieves a surplus of 5% to ensure the charity remains financially viable, is able to invest in its existing services and has the resources to develop new services to meet any un-met demand.
- Investment in children's residential services including offering a leaving care service to support young people transitioning from our 24/7 residential care to independent living.
- Expansion of Fostering North East, recruiting additional carers to improve diversity.
- Develop and implement an improvement plan to ensure that care services for older people are independently financially viable.
- Produce a long-term strategic plan for the Holy Cross site.
- Seek opportunities to deliver community / charitable services to embed the charity in the community it serves.

Principal risks and uncertainties

The Charity's core work is in frontline social care provision, and as noted earlier in this report, risk management is embedded in every aspect of the Charity's activities. The Directors have considered the Charity's risks and seek to mitigate them as far as is practical.

The Directors consider the continued under-funding of services by commissioning bodies that is prevalent across the whole of the social care sector to be the most significant risk facing the Charity in the short to medium term and particularly due to the higher cost of providing services.

In addition, the Charity must operate with high occupancy levels. It is essential that high occupancy levels are maintained to ensure regular cash flows. In turn, this enables the Charity to re-invest in its services. Whilst the increased occupancies in both our nursing homes are encouraging, further improvement is required and our forecasts and cashflow allow for a gradual improvement in occupancy levels throughout the next year.

The reputation for delivering high quality care places the Charity at the forefront of excellent care delivery within the region amongst the placing authorities. The Charity also undertakes robust fee negotiations for every service. In addition, being a real Living Wage Employer enables the Charity to attract high calibre and committed employees, offering stability in a sector where recruitment is particularly difficult. Together, these actions, supported by a strong culture of transparency and prudent stewardship, have allowed the Charity to manage this sector-wide issue of underfunding.

The charity's forecasts for the coming year show a small operating surplus for 2024/25. The Charity's cash reserves remain sufficient that should the forecasts not be achieved the Charity will remain able to pay its debts as they fall due beyond 12 months from signing this report.

The Charity's work is the provision of essential social care services commissioned by local authorities and there remains strong demand for the Charity's services. The Charity's excellent reputation with commissioning authorities adds further comfort. The Directors continue to expect this and future financial years to be challenging due to the under-funding of services but are confident that through effective management, backed up by healthy cash reserves, the Charity will be able to manage the challenges ahead.

More details about the Charity's services, testimonials and information on future developments can be found on the Charity's website: https://stcuthbertscare.org.uk.

Structure, governance and management
The Charity was founded in 1946 and then incorporated in England as a charitable company limited by guarantee on 23 June 1982. It is governed by Articles of Association which were last amended on 25 June 2024. Its objects are to carry out all forms of social care.

Governance and internal control
The Articles of Association allow for up to 12 directors to be appointed at any one time. The Directors are also trustees. The Board of Directors meets quarterly and has appointed a Chief Executive to manage the day-to-day activities. The Chief Executive is a director.

The Board is supported by three sub-committees:

- The Audit, Finance and Risk sub-committee oversees the finances and management of risk for the Charity. Effective risk management is embedded within the culture of St Cuthbert's Care. The managers of the Charity's services implement, review and amend risk management plans as and when required. A risk panel, comprising the Charity's key management personnel and the Director of Compliance, meets monthly to assess all risks to the Charity, both potential and actual, and implements appropriate controls.

- The Remuneration sub-committee benchmarks and reviews salaries and benefits across the Charity.

- The Nominations sub-committee considers suitable applicants to be proposed to the full Board for consideration for appointment as directors. Directors are interviewed and proposed by the Nominations sub-committee and appointed by invitation of the Bishop. The Charity aims to ensure and maintain a balance of skills and experience relevant to the work and business needs of the Charity.

Key management personnel

Chief Executive	Nic Gilbert
Director of Care	Amanda Head
Director of Children's Services	Jody Scott
Director of Compliance	Gill Ennis
Financial Controller	Julie Nichol
HR Lead	Denise Hall

Directors
The directors of the company during the year and up to the date of signing are listed on page one.

The Charity inducts every director upon appointment and provides training days. These are led by the Chief Executive and typically, include refresher training on trustees and directors' legal duties and responsibilities. Visits to the Charity's services enable the Directors to meet the Charity's beneficiaries and employees. This maximises informed decision making.

Investment policy
Under the Articles of Association, the Charity has the power to make any investment which the Directors see fit. Currently, and throughout the year, funds have been invested in short term cash deposits only. The Directors consider this to be the most appropriate course given the short term needs of the Charity.

Insurance of directors
The company had during the year ended, and continues to maintain, appropriate insurance for the Directors in respect of liabilities that may arise against them personally in connection with their duties as directors of the company and as trustees.

Pay policy for senior employees
The pay of senior employees is reviewed annually by the Directors. Part of this process includes the benchmarking of local market rates in similar organisations.

Reserves policy
The Directors consider that the Charity's reserves should be sufficient to allow St Cuthbert's Care the flexibility to continue to operate and develop in accordance with the Charity's Statement of Purpose and Articles of Association. The current reserves policy states that general funds should reflect one month's budgeted expenditure with a maximum margin of 10% which would equate to £1.1m. The current level of reserves exceeds this. The Directors are in the process of reviewing the reserves policy following the publication of updated guidance on reserves by the Charities Commission.

In addition there is one designated fund which is maintained by the Charity and details can be found in note 18 in the financial statements.

Statement of directors' responsibilities
The Directors (who are also Trustees of St Cuthbert's Care for the purposes of charity law) are responsible for preparing the Directors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the charitable company's website and social media accounts. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors
In so far as the Directors are aware at the time of approving this report:

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors
Following a tendering exercise CLA Evelyn Partners Limited were appointed auditors after the financial year end. PricewaterhouseCoopers LLP resigned at the Board meeting in April 2024. The auditors, CLA Evelyn Partners Limited, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Paul Moran
Chair
23 October 2024

Independent auditors' report to the members of St Cuthbert's Care

Opinion

We have audited the financial statements of St Cuthbert's Care (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company 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 group's or parent charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Independent auditors' report to the members of St Cuthbert's Care (continued)

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 a Report of the Independent Auditors 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

Independent auditors' report to the members of St Cuthbert's Care (continued)

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.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2024; and

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

C. Henderson

Craig Henderson (Senior Statutory Auditor)
For and on behalf of CLA Evelyn Partners Limited
Statutory Auditors

28 October 2024

17 Queens Lane
Newcastle upon Tyne, NE1 1RN

St Cuthbert's Care

Statement of financial activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2024

	Note	Unrestricted funds	Restricted funds	2024 Total	2023 Total
		£	£	£	£
Income					
Income from charitable activities					
Care for children		**2,604,639**	-	**2,604,639**	2,418,702
Care for people with disabilities		**3,103,823**	-	**3,103,823**	2,655,880
Care for older people		**4,879,191**	-	**4,879,191**	3,890,065
Grants receivable		-	-	-	16,671
Fostering & social work		**941,564**	-	**941,564**	929,096
Income from donations, legacies and other trading activity					
Donations		**119,874**	**124,289**	**244,163**	252,890
Legacies		**128,521**	**100,000**	**228,521**	11,903
Other trading activities		**35,647**	**400,779**	**436,426**	355,065
Investment income		**60,747**	**18,570**	**79,317**	18,763
Total income		**11,874,006**	**643,638**	**12,517,644**	10,549,035
Expenditure					
Expenditure on charitable activities	1	**11,318,849**	**336,664**	**11,655,513**	10,409,674
Expenditure on raising funds					
Donations and legacies	2	**5,670**	-	**5,670**	5,291
Other trading activities	2	**8,621**	**141,873**	**150,494**	119,850
Total expenditure		**11,333,140**	**478,537**	**11,811,677**	10,534,815
Net income for the year	6	**540,866**	**165,101**	**705,967**	14,220

All operations are continuing.

All gains and losses in the year are included in the Statement of Financial Activities.

St Cuthbert's Care

Reconciliation of funds for the year ended 31 March 2024

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Fund balances at 1 April 2023	6,428,746	817,142	7,245,888	7,231,668
Net income for the year	540,866	165,101	705,967	14,220
Transfer	170,000	(170,000)	-	-
Fund balances at 31 March 2024	**7,139,612**	**812,243**	**7,951,855**	7,245,888

St Cuthbert's Care

Balance sheet as at 31 March 2024

Company registration number: 1645917

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	8	**5,134,766**	4,942,051
Total fixed assets		**5,134,766**	4,942,051
Current assets			
Debtors	10	**671,083**	829,743
Cash at bank and in hand		**3,314,923**	2,503,462
Total current assets		**3,986,006**	3,333,205
Creditors: amounts falling due within one year	11	**(890,827)**	(716,045)
Net current assets		**3,095,179**	2,617,160
Total assets less current liabilities		**8,229,945**	7,559,211
Creditors: amounts falling due after more than one year	12	**(225,000)**	(250,000)
Provisions for liabilities and charges	14	**(53,090)**	(63,323)
Net assets		**7,951,855**	7,245,888
The funds of the Charity			
Unrestricted funds			
General funds	18	**2,004,846**	800,000
Designated funds: Capital assets fund	18	**5,134,766**	5,628,746
		7,139,612	6,428,746
Restricted funds	18	**812,243**	817,142
Total funds	18	**7,951,855**	7,245,888

The financial statements on pages 12 to 28 were approved by the Board of Directors and were signed on its behalf by:

Paul Moran
Chair
23 October 2024

St Cuthbert's Care

Statement of Cash Flows for the year ended 31 March 2024

	Note	2024	2023
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	16	**1,158,319**	**23,799**
Cash flows from investing activities			
Interest received		**79,317**	18,763
Purchase of tangible fixed assets		**(426,175)**	(153,310)
Net cash used in investing activities		**(346,858)**	(134,547)
Cash flows from financing activities			
Net cash used in financing activities		**-**	-
Change in cash and cash equivalents in the reporting period	17	**811,461**	(110,748)
Cash and cash equivalents at the beginning of the reporting period		**2,503,462**	2,614,210
Cash and cash equivalents at the end of the reporting period		**3,314,923**	2,503,462

Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Going concern
In the year ended 31 March 2024 the charity recorded a surplus for the year of £705,967 and had a year end cash position of £3,314,923 with no borrowings.

The charity's work is the provision of essential care services commissioned by local authorities and there remains a strong interest and demand for the charity's services. The occupancy level in our two nursing homes have increased for the second year running and are now at acceptable pre-Covid19 pandemic levels but with further capacity to improve. The charity's excellent reputation with commissioning authorities for all of its services adds further comfort for 2024/25 in filling vacancies as they arise.

The Charity's forecasts for the coming year factor in the higher salaries paid to front line carers which are necessary to reward and retain these highly skilled employees to ensure that exceptional levels of care delivery are maintained. The charity has no borrowings but does benefit from higher interest rates for the funds on short term deposit. Negotiations are still ongoing with local authorities but it is clear that central and local Government funding constraints are restricting our ability to achieve fee increases which would cover full cost recovery. However, the Charity's cash reserves give comfort that this is manageable in the short term, including at least the next 12 months.

The Directors have reviewed and assessed the financial performance for the first half of 2024/2025, the results are slightly below expectation but within acceptable limits. A cash flow forecast for the period to November 2025 has been prepared, which considers realistic downside cash flow sensitivities and this together with continued demand for the Charity's care services gives the Directors confidence in continuing to adopt the going concern basis of accounting.

Accounting policies (continued)

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

For legacies, entitlement is the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Donated goods and services
The value of donated goods to the Charity which are for resale are recognised in the financial statements as income when sold due to the low-value of items received.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised; details about the volunteers' contribution can be found in the Directors' report.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs include expenditure which cannot be directly attributed to particular headings and have therefore been allocated to activities on the basis of employee costs. Governance costs represent the legal and professional fees of running the Charity and costs associated with preparing and holding Board meetings and are included within support costs. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets
Fixed assets costing more than £7,500 are capitalised and included at purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected lives. The principal annual rates used for this purpose are:

	%
Freehold land	0
Furniture, equipment and plant	5 - 33
Motor vehicles	20
Assets in the course of construction	0

Freehold and long leasehold buildings are depreciated over 50 years or, if shorter, over the period of the lease.

Accounting policies (continued)

Fixed asset investments
Fixed asset investments are stated at the lower of cost or net realisable value.

Operating leases
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable are charged on straight line basis over the term of the lease.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

Financial Instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grants receivable
Grants, including those for the purchase of fixed assets, are recognised in full when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Fund accounting
General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in note 18 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Accounting policies (continued)

Pension costs
The Charity makes available a defined contribution pension scheme to employees to which it contributes. The scheme originally set up as a stakeholder pension scheme meets the automatic enrolment rules.

There is a historical unfunded pension liability and adjustments to this pension liability, referred to in note 14, are made in line with actuarial factors based on the invoiced costs from the administering authority and adjusted to include a cost of living increase. These costs are included in the SOFA.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires management to make estimates and judgements. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors consider there to be no significant estimates or judgements made during the year which had a material impact on the results reported in the financial statements.

Notes to the financial statements for the year ended 31 March 2024

1 Expenditure on charitable activities

	Direct costs £	Support costs £	2024 £	2023 £
Care for people with disabilities	2,965,803	294,507	**3,260,310**	2,822,089
Care for older people	5,068,645	480,363	**5,549,008**	4,780,257
Care for children, fostering & social work	2,641,970	204,225	**2,846,195**	2,807,328
	10,764,418	979,095	**11,655,513**	10,409,674

2 Expenditure on raising funds

	Direct costs £	Support costs £	2024 £	2023 £
Voluntary income, donations & legacies	5,066	604	**5,670**	5,291
Activities for generating funds	146,872	3,622	**150,494**	119,850
	151,938	4,226	**156,164**	125,141

3 Support costs

Support costs, including governance costs of £29,371 (2023: £42,359), not directly attributable to projects have been allocated on the basis of employee costs and are analysed below:

	Employee costs £	Depreciation £	Other costs £	2024 £	2023 £
Charitable activities	620,306	22,274	336,515	**979,095**	861,041
Raising funds	2,677	96	1,452	**4,225**	1,522
	622,983	22,370	337,967	**983,320**	862,563

4 Employee costs

	2024	2023
	£	£
Employee costs:		
Wages and salaries	**7,919,604**	7,261,645
Social security costs	**629,386**	602,479
Pension costs	**149,816**	144,177
	8,698,806	8,008,301

The pension costs were charged through the Statement of Financial Activities in respect of the defined contribution scheme operated for employees and allocated between activities both restricted and unrestricted funds on the basis of employee costs.

The company maintains insurance for its employees in respect of their duties as employees as part of its overall insurance policy. Three employees received emoluments above £60,000 (2023: two). Two of the employees are in the band £60,000-£70,000 (2023: one) and one employee is in the band £80,000-£90,000 (2023: one).

The key management personnel of the Charity comprise the Chief Executive, the Director of Care, the Director of Children's Services, the Director of Compliance, the Financial Controller and the HR Lead. The total employee benefits of the key management personnel of the Charity were £403,680 (2023: £424,490).

The average monthly number of employees, analysed by function was:

	2024 Number	2024 Full-Time Equivalent	2023 Number	2023 Full-Time Equivalent
Charitable activities	**292**	**232**	266	215
Expenditure on raising funds	**1**	**1**	2	1
	293	**233**	268	216

5 Directors' emoluments

	2024	2023
	£	£
Aggregate emoluments and fees	**89,250**	155,925

Emoluments are paid to one director (2023: two), the Chief Executive for services as a director and not as a trustee of the Charity. Provision for payments to the Chief Executive and the Finance Director are made in the company's Articles of Association. Included in the above are contributions made to the Charity's pension scheme in respect of this director of £4,250 (2023: £7,425). The Director received no reimbursement of travel expenses in the year (2023: £Nil).

Other than as noted above, no director was entitled to nor received any remuneration for their services (2023: £Nil) or were accruing benefits under the pension schemes (2023: £Nil) or received reimbursement of their expenses (2023: £Nil).

6 Net income for the year

Net income for the year is stated after charging:	2024	2023
	£	£
Depreciation charge for the year	**233,460**	212,856
Auditors' remuneration for audit services	**23,952**	36,960
Operating lease rentals for land and buildings	**-**	11,188

7 Taxation

The company is a charity established under the Charities Act 2011. It is therefore exempt from taxation in respect of income and capital gains received within categories covered by S505 Income and Corporation Taxes Act 1988 or S256 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to charitable purposes only.

8 Tangible assets

	Freehold & long leasehold buildings	Furniture equipment and plant	Motor vehicles	Assets in the course of construction	Total
	£	£	£	£	£
Cost					
At 1 April 2023	6,296,922	2,621,749	73,656	50,070	9,042,397
Additions	85,790	301,209	-	39,176	426,175
Transfers	50,070	-	-	(50,070)	-
At 31 March 2024	**6,432,782**	**2,922,958**	**73,656**	**39,176**	**9,468,572**
Accumulated Depreciation					
At 1 April 2023	2,178,559	1,848,131	73,656	-	4,100,346
Charge for the year	101,163	132,297	-	-	233,460
Eliminated in respect of disposals	-	-	-	-	-
At 31 March 2024	**2,279,722**	**1,980,428**	**73,656**	**-**	**4,333,806**
Net book value					
At 31 March 2024	**4,153,060**	**942,530**	**-**	**39,176**	**5,134,766**
At 31 March 2023	4,118,363	773,618	-	50,070	4,942,051

9 Capital commitments

Capital expenditure authorised and contracted for but not provided for in the accounts amounts to £66,152 (2023: £237,401). This is for costs relating to a new apartment at one of our care homes. This work will be completed during the 2024-25 financial year.

10 Debtors

	2024 £	2023 £
Trade debtors	**385,093**	466,544
Other debtors	**2,278**	4,024
Prepayments and accrued income	**283,712**	359,175
	671,083	829,743

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	**229,334**	253,348
Other creditors	**108,676**	11,569
Taxation and social security	**174,419**	151,389
Accruals and deferred income	**378,398**	299,739
	890,827	716,045

12 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Deferred income	**225,000**	250,000
	225,000	250,000

The Directors expect the deferred income to be released to the Statement of Financial Activities over the next 10 years. It relates to the prepayment of rental income for office space by the Roman Catholic Diocese of Hexham & Newcastle and is being released at a rate of £25,000 per annum (2023: £25,000).

13 Reconciliation of deferred income

	2024 £	2023 £
At 1 April	275,000	300,000
Released during the year	(25,000)	(25,000)
At 31 March	**250,000**	**275,000**

There is £25,000 of this deferred income balance included within creditors falling due within one year.

14 Provisions for liabilities and charges

Analysis of amounts charged through the statement of financial activities

	Pension provision £
At 1 April 2023	63,323
Established during the year	-
Utilised during the year	(10,233)
At 31 March 2024	**53,090**

The pension provision relates to the unfunded pensions liabilities for former teachers of two schools formerly managed by the Charity. The provision is updated annually based upon actuarial calculations. The Directors expect all liabilities to be met over the next 7 years.

The provision is anticipated to fall due as follows:

	2024 £	2023 £
In less than one year	**9,576**	10,368
Between one and two years	**9,864**	10,679
Between two and five years	**20,117**	21,778
In more than five years	**13,533**	20,498
	53,090	63,323

15 Share capital

The company does not have any share capital and is limited by guarantee. The members of the company are the Directors and their guarantee is limited to £1 each.

16 Reconciliation of net incoming resources to net cash provided by operating activities

	2024 £	2023 £
Net incoming resources	**705,967**	14,220
Depreciation on tangible fixed assets	**233,460**	212,856
Loss on disposal of fixed assets	**-**	-
Decrease in deferred income	**(25,000)**	(25,000)
Decrease in provisions	**(10,233)**	(9,886)
(Increase) / decrease in debtors	**158,660**	(213,933)
Increase / (decrease) in creditors	**174,782**	64,305
Interest received	**(79,317)**	(18,763)
Net cash provided by operating activities	**1,158,319**	23,799

17 Analysis of net debt

	1 April 2023 £	Cash flow £	**31 March 2024** **£**
Cash at bank and in hand	2,503,462	811,461	3,314,923
Net funds	2,503,462	811,461	**3,314,923**

18 Statement of funds

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
General funds	800,000	11,874,006	(11,333,140)	663,980	**2,004,846**
Designated funds					
Capital assets fund	5,628,746	-	-	(493,980)	5,134,766
Total unrestricted funds	6,428,746	11,874,006	(11,333,140)	170,000	7,139,612
Restricted funds:					
Alan Shearer Foundation	817,142	643,638	(478,537)	(170,000)	**812,243**
Total restricted funds	817,142	643,638	(478,537)	(170,000)	**812,243**
Total funds	7,245,888	12,517,644	(11,811,677)	-	7,951,855

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
General funds	800,000	10,051,982	(10,172,747)	120,765	**800,000**
Designated funds					
Capital assets fund	5,749,511	-	-	(120,765)	5,628,746
Total unrestricted funds	6,549,511	10,051,982	(10,172,747)	-	6,428,746
Restricted funds:					
Alan Shearer Foundation	682,157	497,053	(362,068)	-	**817,142**
Total restricted funds	682,157	497,053	(362,068)	-	**817,142**
Total funds	7,231,668	10,549,035	(10,534,815)	-	7,245,888

Purpose of Funds

The General fund represents the free funds of the Charity which are not designated for particular purposes.

The Capital assets fund (previously referred to as the Charity assets fund) represents the book value of land, buildings and fixtures in use by the charity for the provision of services in furtherance of the Charity's objects. These funds are therefore unavailable for other use.

The charity has one restricted fund. The Alan Shearer Foundation which represents those funds raised by the Foundation which have not yet been spent on charitable activities.

The Directors are in the process of reviewing the reserves policy following the publication of updated guidance on reserves by the Charities Commission.

18 Statement of funds (continued)

Analysis of net assets between funds (current year)

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 March 2024 are represented by:				
Fixed assets		5,134,766		**5,134,766**
Current assets	812,243	-	3,173,763	**3,986,006**
Current liabilities	-	-	(890,827)	**(890,827)**
Long term liabilities and provisions		-	(278,090)	**(278,090)**
Net assets at 31 March 2024	812,243	5,134,766	2,004,846	**7,951,855**

Analysis of net assets between funds (prior year)

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Fixed assets		4,942,051		**4,942,051**
Current assets	817,142	964,018	1,552,045	**3,333,205**
Current liabilities	-	-	(716,045)	**(716,045)**
Long term liabilities and provisions		(277,323)	(36,000)	**(313,323)**
Net assets at 31 March 2023	817,142	5,628,746	800,000	**7,245,888**

19 Related party transactions

The Charity has a close but arm's length working relationship with the Roman Catholic Diocese of Hexham & Newcastle, which is also a charity. The Charity invoiced £90,761 (2023: £177,593) to the Roman Catholic Diocese of Hexham and Newcastle in respect of shared costs associated with the provision of offices for both parties and care home fees for retired priests. As at 31 March 2024 £10,697 (2023: £12,211) remained outstanding and is included in debtors.

ST CUTHBERT'S CARE

England & Wales - Charity number 512912

Accounts

St Cuthbert's Care

(A company limited by guarantee)

Annual Report

for the year ended 31 March 2023

Registered Number 1645917

Registered Charity Number 512912

St Cuthbert's Care
Annual Report
for the year ended 31 March 2023
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St Cuthbert's Care

Directors and Advisors for the year ended 31 March 2023

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Directors

Miss M Ashman	(resigned Chief Executive and Director 31 March 2023)
Right Rev. Bishop R Byrne	(resigned Chair and Director 12 December 2022)
Right Rev. Bishop S Wright	(appointed 23 August 2023)
Mr M Dickson	
Mr N Gilbert	(appointed Chief Executive 1 April 2023)
Mrs A Johnson	
Dr K Mannix	
Mr P Moran	(appointed Chair 13 December 2022)
Mrs K Urwin	

Company secretary and registered office

Mr N Gilbert
St Cuthbert's House
West Road
Newcastle upon Tyne
NE15 7PY

Independent Auditors

PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Bankers

National Westminster Bank PLC
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

Strategic report for the year ended 31 March 2023

The Directors present their strategic report for the year ended 31 March 2023.

Objectives and activities
The Charity's Statement of Purpose reads:

St Cuthbert's Care is a charity working for the common good by enabling people to develop to their personal potential

The Charity's Vision reads:

To achieve excellence in all that we do

The Charity is a frontline registered care provider which benefits the public as a whole and the core services below represent the Charity's principal activities:

- residential care homes for children, including fostering;
- a range of residential and day services for disabled children and adults; and
- two nursing and residential care homes for older people.

In addition, the Charity fundraises to provide services to support the most impoverished and disadvantaged people across the North East.

The Charity's strategic Five-Year Plan for 2020-2025, was originally approved by the Directors in 2019, and has been reviewed during 2022-2023. It is revisited and formally reviewed every year by the Directors.

The Directors have reviewed the Charity's Statement of Purpose, together with its Vision and Aims and Objectives and are satisfied that the Charity continues to meet the requirements of the Charity Commission's guidance on public benefit.

Achievements and performance
The Charity's activities include a broad range of complex care services across the North East, regulated by Ofsted for children's services and the Care Quality Commission (CQC) for adults' services. The regulators undertake regular and unannounced inspections. These inspections offer an independent measure of the Charity's performance and all of the Charity's services are rated "Good" or "Outstanding". The charity's two day-resources for people with disabilities are not regulated areas of work.

The Charity's regulated services, that are independently rated, reflect the high standards and quality care that are delivered by the Charity's care teams. The Charity's Vision is "to achieve excellence in all that it does" and there can be no better measure of the Charity's performance than the feedback received from residents, families, our teams and fellow professionals. The Directors consider these testimonials to be a direct demonstration of the Charity's values and progress. More detail can be accessed from the Charity's Annual Review, website and social media pages at https://linktr.ee/stcuthbertscare.

As the Covid-19 restrictions eased for the social care sector, the Charity refocused on its strategic objectives and improving the occupancies in its two nursing and residential care homes which had been most affected by the pandemic.

The Charity's significant achievements this year include:

- Being awarded *Outstanding* ratings from Ofsted at three of our Children's services. These ratings are testament to the tireless efforts and dedication of our staff teams who provide exceptional care and support to the children in our care.
- Successfully winning a tender to provide support for 15 adults with learning disabilities in a purpose built setting in Newcastle, supporting the charity's strategy of operational growth across our disability services.
- Continued investment in our staff teams' personal and professional development to enable them to reach their full personal potential. Two examples of the charity's commitment to the development of its staff teams are demonstrated in an employee initially employed as a Finance Assistant progressing to become the charity's CEO over a 26 year period and a housekeeper progressing to become the registered manager of one of the charity's nursing and residential care homes over 14 year period.
- The phased re-opening of our short break respite service in Newcastle following closure during the pandemic, the last service to re-open. This service offers parents/carers a vital break to re-charge their batteries whilst their loved one enjoys a little holiday at the Alan Shearer Short Break service in Newcastle.
- Remaining an accredited Living Wage Employer. Our Charity is one of only a few charities operating in the adult care sector in the North East to be accredited. In addition the Directors approved a £200 cost of living payment, pro rata, to all employees. Valuing employees will always be at the heart of our Charity's culture.
- The charity's Dementia Lead, Dr Ruth Cromarty, developed a dementia strategy based on research and nationally recognised good practice to further enhance our person-centred holistic approach to caring for residents living with dementia in our two nursing homes in Newcastle and Sunderland.
- As the final Covid-19 restrictions for care homes were lifted, our lunch club at Holy Cross in Sunderland was able to re-open, providing a warm welcome, hot meal and good company to older, often isolated, people in the local community.
- A solid financial performance despite the ending of the Covid-19 support grants from the government. Whilst the additional costs of keeping our residents and staff safe remained, the charity continued to pay its employees in full whilst they were isolating. The increased costs of living created additional financial pressures which impacted on the charity's results and were mitigated by the prudent level of reserves the charity has built up.
- The recruitment of an IT Lead to advance the charity's adoption of computerised information systems. The Charity's strategic vision includes a focus on digital enhancements to maximise efficiencies and to improve working practices.

Financial review
The Statement of Financial Activities for the year is set out on page 13 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

Income generation
The Charity's income increased by 3.83% to £10,549,035 (2022: £10,160,348). The majority of this increase reflects the improved occupancy levels in both nursing homes but is offset by below inflation fee uplifts for all our services and a reduction of Covid-19 support grants from Government. Funding for the social care sector restricts our ability to increase fees to adequately reflect the cost of providing high quality care.

Fundraising
Donated income from the charity's supporters both directly and via the parishes increased but is still 26% below pre-pandemic levels. Donations and legacies enable the Charity to support the most vulnerable members of society where often no other funding is available, such as our lunch club in Sunderland. The Charity is most grateful to all of

its supporters. Fundraising is co-ordinated by the Charity's own employees, volunteers and patrons. No external fundraisers are engaged. Money is raised through voluntary contributions from the Charity's supporters, local businesses and organised events.

The Alan Shearer Foundation raised £491,423 during the year (2022: £488,843). The Directors express their most sincere thanks to patrons, Lainya and Alan Shearer, and family, for their unwavering support of the Charity. They would also like to acknowledge and thank patron, Mike Browne, and volunteer Lesley Fulton, for their continued efforts and dedication that are instrumental to the success of the Foundation. The charity is deeply grateful to Lainya, Alan and all members of the Foundation for the support they give so freely.

The Charity is registered with the Fundraising Regulator and follows their Code of Fundraising Practice. The Charity does not participate in any fundraising that may be considered aggressive or intrusive and has received no complaints during the year in connection with its fundraising.

Cashflow
The charity's cash balance reduced by £123,332 during the year to £2,503,462, reflecting the re-commencement of investing for the charity's future. This represents approximately three months' expenditure and enables the Charity to manage the financial challenges of higher inflation, constrained funding and also invest in new developments.

Resources expended
Total expenditure this year increased by 5.9% to £10,534,815 (2022: £9,948,370). This reflects increases in salaries to our employees to maintain the charity's commitment to remain a real Living Wage Employer and other higher operational costs generally due to higher rate of inflation.

Employees and volunteers
St Cuthbert's Care relies on the skills and dedication of its employees and volunteers to ensure that care services are person-centred and delivered with warmth and compassion. During the year, the Charity had an average of 268 (2022: 291) full and part-time employees delivering care and support. Volunteers, through their time and enthusiasm, add value to the Charity's services, enriching the lives of the Charity's beneficiaries. Efforts to recruit new volunteers throughout the Charity are on-going.

The dedication and commitment of our care teams to the Charity ensures our beneficiaries receive the best possible care. The training and development of employees not only helps to achieve this for the people we support but also, in accordance with the Charity's Purpose, seeks to enable our employees to develop to their personal potential. We recognise the demands on our teams of working in the social care sector and of life generally and offer a free confidential counselling service available to all our employees.

These actions evidence the Charity's commitment to its employees and very much reflect the Charity's culture in valuing and respecting every individual.

The Charity's recruitment policies reflect its commitment to equal opportunities in employment. The Charity takes all reasonable steps to employ, train and promote employees based on their experience, abilities and qualifications without regard to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief or sexual orientation. The Charity is also an approved user of the *Positive about Disabled People* symbol and has achieved the *Better Health at Work* accreditation. The Charity is an accredited Living Wage Employer.

The Charity's gender pay gap report shows that the Charity's workforce is predominantly female – a profile which reflects the historical wider nature of the social care sector. All employees are paid the same rate for the job grade regardless of gender.

All new employees and volunteers undertake a thorough programme of induction training. This marks the beginning of a career-long learning programme at St Cuthbert's Care. The employee handbook, together with employee

association meetings, intranet, team meetings and regular briefings help to keep employees informed of the Charity's initiatives and performance.

The Directors wish to thank Moira Ashman for her dedication and commitment to the charity over the last 33 years, the last eight years as Chief Executive and Trustee, following her retirement on 31 March 2023. Nic Gilbert, previously Director of Finance of the charity, has been appointed to succeed her as Chief Executive with effect from 1 April 2023.

Plans for future periods

The Directors consider the most appropriate way forward for the Charity is to deliver upon its Five-Year Plan for 2020-2025, an outline of which is noted below. The Chief Executive, supported by the senior management team, will focus upon the implementation of this plan which will generate new income and will continue to keep the Charity's employees at the heart of its work.

- That every service achieves, and then maintains, its highest regulatory rating at all times, as a matter of course. Excellent progress is being is being made with the achievement of three *outstanding* rated services during the last financial year.
- That an appropriately skilled, trained and commercially aware senior management team is developed to support the future direction of the charity.
- That the voices of service-users and staff, throughout the charity, are strengthened by embedding a stronger culture of inclusivity supported by improved communication channels. The Charity's HR Lead has commenced work on increasing opportunities for employee engagement and we are looking forward to hearing their views.
- That an environmental strategy is agreed and implemented that supports, enhances and sustains the charity's ecological efforts.
- Re-investment in and reconfiguration of, children's residential services, to ensure we can respond positively to the changing and demanding needs of young people in care today.
- Restructure and modernisation of Fostering North East with the result of substantially increased income streams.
- Further development of the Acquired Brain Injury (ABI) specialist provision at the Alan Shearer Centre.
- Continue the development of the dedicated person-centred offering for those living with dementia in the Charity's nursing homes.
- Initiate feasibility work for extra care provision at Holy Cross.

Principal risks and uncertainties

The Charity's core work is in frontline high-risk care provision, and as noted earlier in this report, risk management is embedded in every aspect of the Charity's activities. The Directors have considered the Charity's risks and seek to minimise them as far as is practical.

The Directors consider the continual under-funding of services by commissioning bodies that is prevalent across the whole of the social care sector to be the most significant risk facing the Charity in the short to medium term and particularly due to the higher cost of providing services.

In addition, the Charity must operate with high occupancy levels. It is essential that consistent higher occupancy levels are maintained to ensure regular cash flows. In turn, this enables the Charity to re-invest in its services. Whilst the increased occupancies in both our nursing homes are encouraging, further improvement is required and our forecasts and cashflow allow for a gradual improvement in occupancy levels throughout the next year.

The reputation for delivering high quality care places the Charity at the forefront of excellent care delivery within the region amongst the placing authorities. The Charity also undertakes robust fee negotiations for every single service. In addition, being a Living Wage Employer enables the Charity to attract high calibre and committed teams, offering stability in a sector where recruitment is particularly difficult. Together, these actions, supported by a strong culture of transparency and prudent stewardship, have allowed the Charity to manage this sector-wide issue of underfunding.

St Cuthbert's Care

Covid-19 Pandemic
By the end of this financial year all restrictions imposed on the social care sector had been removed and the Charity's senior management and care teams were able to focus on delivering excellent care and support to those in our care, whilst still continuing with infection control measures.

The financial support to the social care sector in the form of grant funding ceased last year but the additional costs of the measures implemented have not, but this has not had a material impact on the financial results for 2022/23 and the Directors expect the additional costs to reduce further during 2023/24. The charity's forecasts for the coming year allow for increasing occupancy levels in the Charity's nursing homes and forecast a small operating surplus for 2023/24. The Charity's cash reserves mean that should the forecasts not be achieved the Charity will remain able to pay its debts as they fall due beyond 12 months from signing this report.

The Charity's work is the provision of essential care services commissioned by local authorities and there remains an interest and demand for the Charity's services. The Charity's excellent reputation with commissioning authorities adds further comfort. The Directors expect this coming financial year will continue to be challenging but are confident that through effective management, backed up by healthy cash reserves, the Charity will be able to manage the challenges ahead.

More details about the Charity's services, testimonials and information on future developments can be found on the Charity's website: https://stcuthbertscare.org.uk.

On behalf of the Board

Paul Moran
Chair
24 November 2023

St Cuthbert's Care

Directors' report for the year ended 31 March 2023

The Directors present their report and the audited financial statements for the year ended 31 March 2023.

Structure, governance and management
The Charity was founded in 1946 and then incorporated in England as a charitable company limited by guarantee on 23 June 1982. It is governed by Articles of Association which were last amended on 19 March 2014. Its objects are to carry out all forms of social care.

Governance and internal control
The Articles of Association allow for up to 12 directors to be appointed at any one time. The Directors are also trustees. The Board of Directors meets quarterly and has appointed a Chief Executive to manage the day-to-day activities. The Chief Executive is a director.

The Board is supported by three sub-committees:

- The Audit, Finance and Risk sub-committee oversees the finances and management of risk for the Charity. Effective risk management is embedded within the culture of St Cuthbert's Care. The managers of the Charity's services implement, review and amend risk management plans as and when required. A risk panel, comprising the Charity's key management personnel and the Director of Compliance, meets monthly to assess all risks to the Charity, both potential and actual, and implements appropriate controls.

- The Remuneration sub-committee benchmarks and reviews salaries and benefits across the Charity.

- The Nominations sub-committee considers suitable applicants to be proposed to the full Board for consideration for appointment as directors. Directors are interviewed and proposed by the Nominations sub-committee and appointed by invitation of the Bishop. The Charity aims to ensure and maintain a balance of skills and experience relevant to the work and business needs of the Charity.

Key management personnel

Chief Executive	Moira Ashman (retired on 31 March 2023)
Director of Finance & IT	Nic Gilbert (appointed Chief Executive on 1 April 2023)
Director of Care	Amanda Head
Director of Children's Services	Jody Scott
Director of Compliance	Gill Ennis
HR Lead	Denise Hall

Directors
The directors of the company during the year and up to the date of signing are listed on page one. The Bishop of the Roman Catholic Diocese of Hexham & Newcastle has ex-officio status on the Board.

The Charity inducts every director upon appointment and provides training days. These are led by the Chief Executive and typically, include refresher training on trustees and directors' legal duties and responsibilities. Visits to the Charity's services will be reinstated this year and arranged for the Directors so they can meet the Charity's beneficiaries and employees. This maximises informed decision making.

Financial review
The Statement of Financial Activities for the year is set out on page 13 of the financial statements. A summary of the financial results and the work of the Charity is included in the Strategic report.

Investment policy
Under the Articles of Association, the Charity has the power to make any investment which the Directors see fit. Currently, and throughout the year, funds have been invested in short term cash deposits only. The Directors consider this to be the most appropriate course given the short term needs of the Charity.

Insurance of directors
The company had during the year ended, and continues to maintain, appropriate insurance for the Directors in respect of liabilities that may arise against them personally in connection with their duties as directors of the company and as trustees.

Pay policy for senior employees
The pay of senior employees is reviewed annually by the Directors. Part of this process includes the benchmarking of local market rates in similar organisations.

Reserves policy
The Directors require the Charity's reserves to be sufficient to allow St Cuthbert's Care the flexibility to continue to operate and develop in accordance with the Charity's Statement of Purpose and Articles of Association. The Directors believe the general funds should reflect one month's budgeted expenditure with a maximum margin of 10%. The current level of reserves complies with this statement. The Directors review the policy on reserves on an annual basis.

In addition there is one designated fund which is maintained by the Charity and details can be found in note 18 in the financial statements.

Dividends and transfers to reserves
The surplus of incoming resources over expenditure amounted to £14,220 (2022: £211,978) and has been taken to reserves. In accordance with the company's Articles of Association no dividends are payable.

Statement of directors' responsibilities
The Directors (who are also Trustees of St Cuthbert's Care for the purposes of charity law) are responsible for preparing the Directors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the charitable company's website and social media accounts. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors
In so far as the Directors are aware at the time of approving this report:

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Paul Moran
Chair
24 November 2023

St Cuthbert's Care

Independent auditors' report to the members of St Cuthbert's Care

Report on the audit of the financial statements

Opinion

In our opinion, St Cuthbert's Care's financial statements (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, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2023; the Statement of financial activities (incorporating an income and expenditure account), the Reconciliation of funds, and the Statement of Cash Flows for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material

Independent auditors' report to the members of St Cuthbert's Care (continued)

Reporting on other information (continued)

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors reports

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Directors' report for the period ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Director's report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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

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

Auditors' 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 auditors' 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.

Based on our understanding of the charitable company and its environment, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with laws and regulations related to Care Quality Commission regulations in respect of care homes operated by the Charity, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and Charities Act 2011. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of

Independent auditors' report to the members of St Cuthbert's Care (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations; and
- Reviewing financial statement disclosures and testing supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

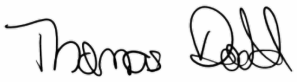
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Thomas Dodd (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne
29 November 2023

St Cuthbert's Care

Statement of financial activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2023

	Note	Unrestricted funds	Restricted funds	2023 Total	2022 Total
		£	£	£	£
Income					
Income from charitable activities					
Care for children		**2,418,702**	-	**2,418,702**	2,358,635
Care for people with disabilities		**2,655,880**	-	**2,655,880**	2,568,895
Care for older people		**3,890,065**	-	**3,890,065**	3,395,315
Grants receivable		**16,671**	-	**16,671**	290,274
Fostering & social work		**929,096**	-	**929,096**	924,750
Income from donations, legacies and other trading activity					
Donations		**73,919**	**178,971**	**252,890**	291,171
Legacies		**11,903**	-	**11,903**	26,019
Other trading activities		**42,613**	**312,452**	**355,065**	304,410
Investment income		**13,133**	**5,630**	**18,763**	879
Other income		-	-	-	-
Total income		**10,051,982**	**497,053**	**10,549,035**	10,160,348
Expenditure					
Expenditure on charitable activities	1	**10,162,008**	**247,666**	**10,409,674**	9,826,357
Expenditure on raising funds					
Donations and legacies	2	**5,291**	-	**5,291**	4,630
Other trading activities	2	**5,448**	**114,402**	**119,850**	117,383
Total expenditure		**10,172,747**	**362,068**	**10,534,815**	9,948,370
Net (loss) / income for the year	6	**(120,765)**	**134,985**	**14,220**	211,978

All operations are continuing.

All gains and losses in the year are included in the Statement of Financial Activities.

Reconciliation of funds for the year ended 31 March 2023

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Fund balances at 1 April 2022	6,549,511	682,157	7,231,668	7,019,690
Net (loss) / income for the year	(120,765)	134,985	14,220	211,978
Fund balances at 31 March 2023	**6,428,746**	**817,142**	**7,245,888**	7,231,668

St Cuthbert's Care

Balance sheet as at 31 March 2023

Company registration number: 1645917

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	**4,942,051**	5,001,597
Total fixed assets		**4,942,051**	5,001,597
Current assets			
Debtors	10	**829,743**	615,810
Cash at bank and in hand		**2,503,462**	2,614,210
Total current assets		**3,333,205**	3,230,020
Creditors: amounts falling due within one year	11	**(716,045)**	(651,740)
Net current assets		**2,617,160**	2,578,280
Total assets less current liabilities		**7,559,211**	7,579,877
Creditors: amounts falling due after more than one year	12	**(250,000)**	(275,000)
Provisions for liabilities and charges	13	**(63,323)**	(73,209)
Net assets		**7,245,888**	7,231,668
The funds of the Charity			
Unrestricted funds			
General funds	18	**800,000**	800,000
Designated funds: Charity assets fund	18	**5,628,746**	5,749,511
		6,428,746	6,549,511
Restricted funds	18	**817,142**	682,157
Total funds	18	**7,245,888**	7,231,668

The financial statements on pages 13 to 28 were approved by the Board of Directors and were signed on its behalf by:

Paul Moran
Chair
24 November 2023

St Cuthbert's Care

Statement of Cash Flows for the year ended 31 March 2023

	Note	2023	2022
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	15	**23,799**	**179,220**
Cash flows from investing activities			
Interest received		**18,763**	879
Purchase of tangible fixed assets		**(153,310)**	(31,678)
Net cash used in investing activities		**(134,547)**	(30,799)
Cash flows from financing activities			
Net cash used in financing activities		**-**	-
Change in cash and cash equivalents in the reporting period	16	**(110,748)**	**148,421**
Cash and cash equivalents at the beginning of the reporting period		2,614,210	2,465,789
Cash and cash equivalents at the end of the reporting period		**2,503,462**	**2,614,210**

Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Preparation of the Financial Statements on a going concern basis
In the year ended 31 March 2023 the charity recorded a surplus for the year of £14,220 and had a year end cash position of £2,503,462 with no borrowings.

Despite the end of Government grants to help mitigate the costs associated with the additional measures implemented to keep residents and staff safe from Covid-19, the pandemic did not have a material impact on the charity's finances during the year to 31 March 2023.

The charity's work is the provision of essential care services commissioned by local authorities and there remains a strong interest and demand for the charity's services. Referrals and admissions to our two nursing homes increased during the year following the easing of restrictions on care homes and the charity's excellent reputation with commissioning authorities adds further comfort for 2023/24.

The Charity's forecasts for the coming year factor in the higher rate of inflation and the impact this has on the goods and services the charity requires to deliver its services. The charity has no borrowings but does have cash on deposit so will benefit from the higher interest rates although deposit rates are below the level of inflation. Employee payroll costs account for the majority of the Charity's expenditure and the increased cost of living necessitated higher than usual salary increases. Negotiations are still ongoing with local authorities and the full cost may not be covered by fee increases due to funding constraints. However, the Charity's cash reserves give comfort that this would be manageable in the short term, including at least the next 12 months.

The Directors have reviewed and assessed the financial performance for the first quarter of 2023/2024, the results are in line with expectations with a small surplus being generated from operations. A cash flow forecast for the period to November 2024 has been prepared, which considers realistic downside cash flow sensitivities and this together with continued demand for the Charity's care services gives the Directors confidence in continuing to adopt the going concern basis of accounting.

Accounting policies (continued)

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

For legacies, entitlement is the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Donated goods and services
The value of donated goods to the Charity which are for resale are recognised in the financial statements as income when sold due to the low-value of items received.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised; details about the volunteers' contribution can be found in the Directors' report.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs include expenditure which cannot be directly attributed to particular headings and have therefore been allocated to activities on the basis of employee costs. Governance costs represent the legal and professional fees of running the Charity and costs associated with preparing and holding Board meetings and are included within support costs. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets
Fixed assets costing more than £7,500 are capitalised and included at purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected lives. The principal annual rates used for this purpose are:

	%
Freehold land	0
Furniture, equipment and plant	5 - 33
Motor vehicles	20
Assets in the course of construction	0

Freehold and long leasehold buildings are depreciated over 50 years or, if shorter, over the period of the lease.

Accounting policies (continued)

Fixed asset investments
Fixed asset investments are stated at the lower of cost or net realisable value.

Operating leases
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable are charged on straight line basis over the term of the lease.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

Financial Instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grants receivable
Grants, including those for the purchase of fixed assets, are recognised in full when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Fund accounting
General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in note 18 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Accounting policies (continued)

Pension costs
The Charity makes available a defined contribution pension scheme to employees to which it contributes. The scheme originally set up as a stakeholder pension scheme meets the automatic enrolment rules.

There is a historical unfunded pension liability and adjustments to this pension liability, referred to in note 13, are made in line with actuarial factors based on the invoiced costs from the administering authority and adjusted to include a cost of living increase. These costs are included in the SOFA.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires management to make estimates and judgements. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no significant estimates or judgements made during the year which had a material impact on the results reported in the financial statements.

Notes to the financial statements for the year ended 31 March 2023

1 Expenditure on charitable activities

	Direct costs £	Support costs £	**2023 £**	2022 £
Care for people with disabilities	2,575,446	246,643	**2,822,089**	2,578,650
Care for older people	4,364,493	415,764	**4,780,257**	4,555,254
Care for children, fostering & social work	2,608,694	198,634	**2,807,328**	2,692,453
	9,548,633	861,041	**10,409,674**	9,826,357

2 Expenditure on raising funds

	Direct costs £	Support costs £	**2023 £**	2022 £
Voluntary income, donations & legacies	4,778	513	**5,291**	4,630
Activities for generating funds	118,841	1,009	**119,850**	117,383
	123,619	1,522	**125,141**	122,013

3 Support costs

Support costs, including governance costs of £42,359 (2022: £29,284), not directly attributable to projects have been allocated on the basis of employee costs and are analysed below:

	Employee costs £	Depreciation £	Other costs £	**2023 £**	2022 £
Charitable activities	545,513	19,586	295,942	**861,041**	827,572
Raising funds	964	35	523	**1,522**	1,934
	546,477	19,621	296,465	**862,563**	829,506

4 Employee costs

	2023	2022
	£	£
Employee costs:		
Wages and salaries	**7,261,645**	6,789,411
Social security costs	**602,479**	562,899
Pension costs	**144,177**	151,013
	8,008,301	7,503,323

The pension costs were charged through the Statement of Financial Activities in respect of the defined contribution scheme operated for employees and allocated between activities both restricted and unrestricted funds on the basis of employee costs.

The company maintains insurance for its employees in respect of their duties as employees as part of its overall insurance policy. Two employees received emoluments above £60,000 (2022: two). One of the employees is in the band £60,000-£70,000 (2022: one) and one employee is in the band £80,000-£90,000 (2022: one).

The key management personnel of the Charity comprise the Chief Executive, the Director of Finance & IT, the Director of Care, the Director of Children's Services, the Director of Compliance and the HR Lead. The total employee benefits of the key management personnel of the Charity were £424,490 (2022: £390,932).

The average monthly number of employees, analysed by function was:

	2023 Number	2023 Full-Time Equivalent	2022 Number	2022 Full-Time Equivalent
Charitable activities	**266**	**215**	289	215
Expenditure on raising funds	**2**	**1**	2	2
	268	**216**	291	217

5 Directors' emoluments

	2023	2022
	£	£
Aggregate emoluments and fees	**155,925**	154,350

Emoluments are paid to two directors, M Ashman and N Gilbert, for their services as directors and not as trustees of the Charity. Provision for these payments is made in the company's Articles of Association. Included in the above are contributions made to the Charity's pension scheme in respect of these directors of £7,425 (2022: £7,350). Directors received no reimbursement of travel expenses in the year (2022: £Nil).

Other than as noted above, no director was entitled to nor received any remuneration for their services (2022: £Nil) or were accruing benefits under the pension schemes (2022: £Nil) or received reimbursement of their expenses (2022: £Nil).

6 Net income for the year

Net income for the year is stated after charging:	2023	2022
	£	£
Depreciation charge for the year	**212,856**	206,549
Auditors' remuneration for audit services	**36,960**	23,940
Operating lease rentals for land and buildings	**11,188**	16,340
Loss on disposal of assets	**-**	3,946

7 Taxation

The company is a charity established under the Charities Act 2011. It is therefore exempt from taxation in respect of income and capital gains received within categories covered by S505 Income and Corporation Taxes Act 1988 or S256 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to charitable purposes only.

8 Tangible assets

	Freehold & long leasehold buildings	Furniture equipment and plant	Motor vehicles	Assets in the course of construction	Total
	£	£	£	£	£
Cost					
At 1 April 2022	6,296,922	2,518,509	73,656	-	8,889,087
Additions	-	103,240	-	50,070	153,310
Disposals	-	-	-	-	-
At 31 March 2023	**6,296,922**	**2,621,749**	**73,656**	**50,070**	**9,042,397**
Accumulated Depreciation					
At 1 April 2022	2,081,059	1,733,133	73,298	-	3,887,490
Charge for the year	97,500	114,998	358	-	212,856
Eliminated in respect of disposals	-	-	-	-	-
At 31 March 2023	**2,178,559**	**1,848,131**	**73,656**	**-**	**4,100,346**
Net book value					
At 31 March 2023	**4,118,363**	**773,618**	**-**	**50,070**	**4,942,051**
At 31 March 2022	4,215,863	785,376	358	-	5,001,597

9 Capital commitments

Capital expenditure authorised and contracted for but not provided for in the accounts amounts to £237,401 (2022: £nil). This includes both leasehold improvements to one of the charity's children's homes and the replacement and expansion of a play park. Both works will be completed during the 2023-24 financial year.

10 Debtors

	2023 £	2022 £
Trade debtors	**466,544**	330,727
Other debtors	**4,024**	928
Prepayments and accrued income	**359,175**	284,155
	829,743	615,810

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**253,348**	148,412
Other creditors	**11,569**	13,079
Taxation and social security	**151,389**	169,444
Accruals and deferred income	**299,739**	320,805
	716,045	651,740

12 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Deferred income	**250,000**	275,000
	250,000	275,000

The Directors expect the deferred income to be released to the Statement of Financial Activities over the next 10 years. It relates to the prepayment of rental income for office space by the Roman Catholic Diocese of Hexham & Newcastle and is being released at a rate of £25,000 per annum (2022: £25,000).

13 Provisions for liabilities and charges

Analysis of amounts charged through the statement of financial activities

	Pension provision £
At 1 April 2022	73,209
Established during the year	-
Utilised during the year	(9,886)
At 31 March 2023	**63,323**

The pension provision relates to the unfunded pensions liabilities for former teachers of two schools formerly managed by the Charity. The provision is updated annually based upon actuarial calculations. The Directors expect all liabilities to be met over the next 8 years.

The provision is anticipated to fall due as follows:

	2023 £	2022 £
In less than one year	**10,368**	9,600
Between one and two years	**10,679**	9,888
Between two and five years	**21,778**	30,554
In more than five years	**20,498**	23,167
	63,323	73,209

14 Share capital

The company does not have any share capital and is limited by guarantee. The members of the company are the Directors and their guarantee is limited to £1 each.

15 Reconciliation of net incoming resources to net cash provided by operating activities

	2023 £	2022 £
Net incoming resources	**14,220**	211,978
Depreciation on tangible fixed assets	**212,856**	206,549
Loss on disposal of fixed assets	**-**	3,946
Decrease in deferred income	**(25,000)**	(25,000)
Decrease in provisions	**(9,886)**	(11,004)
(Increase) / decrease in debtors	**(213,933)**	2,815
Increase / (decrease) in creditors	**64,305**	(209,185)
Interest received	**(18,763)**	(879)
Net cash provided by operating activities	**23,799**	179,220

16 Reconciliation of net cash flow to movement in net cash resources

	2023 £	2022 £
Change in cash and cash equivalents in the reporting period	**(110,748)**	148,421
Movement in net funds for the year	**(110,748)**	148,421
Net funds at 1 April 2022	**2,614,210**	2,465,789
Net funds at 31 March 2023	**2,503,462**	2,614,210

17 Analysis of net cash resources

	1 April 2022 £	Cash flow £	31 March 2023 £
Cash at bank and in hand	2,614,210	(110,748)	**2,503,462**
Net funds	2,614,210	(110,748)	**2,503,462**

18 Statement of funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
General funds	800,000	10,051,982	(10,172,747)	120,765	**800,000**
Designated funds					
Charity assets fund	5,749,511	-	-	(120,765)	**5,628,746**
Total unrestricted funds	6,549,511	10,051,982	(10,172,747)	-	**6,428,746**
Restricted funds:					
Alan Shearer Foundation	682,157	497,053	(362,068)	-	**817,142**
Total restricted funds	682,157	497,053	(362,068)	-	**817,142**
Total funds	7,231,668	10,549,035	(10,534,815)	-	**7,245,888**

The General fund represents the free funds of the Charity which are not designated for particular purposes with excess funds being transferred to the Charity assets fund.

The Charity assets fund represents those funds that have been designated by the Directors for the provision of existing services in furtherance of the Charity's objects.

The charity has one restricted fund. The Alan Shearer Foundation which represents those funds raised by the Foundation which have not yet been spent on charitable activities.

18 Statement of funds (continued)

Analysis of net assets between funds

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Fixed assets	-	4,942,051	-	**4,942,051**
Current assets	817,142	964,018	1,552,045	**3,333,205**
Current liabilities	-	-	(716,045)	**(716,045)**
Long term liabilities and provisions	-	(277,323)	(36,000)	**(313,323)**
	817,142	5,628,746	800,000	**7,245,888**

19 Related party transactions

The Charity has a close but arm's length working relationship with the Roman Catholic Diocese of Hexham & Newcastle, which is also a charity. The Charity invoiced £177,593 (2022: £143,655) to the Roman Catholic Diocese of Hexham and Newcastle in respect of shared costs associated with the provision of offices for both parties and care home fees for retired priests. As at 31 March 2023 £12,211 (2022: £20,164) remained outstanding and is included in debtors.

ST CUTHBERT'S CARE

England & Wales - Charity number 512912

Accounts

St Cuthbert's Care
(A company limited by guarantee)
Annual Report
for the year ended 31 March 2022

Registered Number 1645917

Registered Charity Number 512912

St Cuthbert's Care

Annual Report

for the year ended 31 March 2022

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St Cuthbert's Care

Directors and Advisors for the year ended 31 March 2022

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Directors

Miss M Ashman	(Chief Executive)
Right Rev Bishop R Byrne	(ex-officio) (Chairman)
Mr M Dickson	
Mr N Gilbert	
Mrs A Johnson	
Dr K Mannix	
Mr P Moran	
Mrs K Urwin	

Company secretary and registered office
Mr N Gilbert
St Cuthbert's House
West Road
Newcastle upon Tyne
NE15 7PY

Independent Auditors
PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Solicitors
Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Bankers
National Westminster Bank PLC
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

St Cuthbert's Care

Strategic report for the year ended 31 March 2022

The Directors present their strategic report for the year ended 31 March 2022.

Objectives and activities
The Charity's Statement of Purpose reads:

St Cuthbert's Care is a charity working for the common good by enabling people to develop to their personal potential

The Charity's Vision reads:

To achieve excellence in all that we do

The Charity is a frontline registered care provider which benefits the public as a whole and the core services below represent the Charity's principal activities:

- residential care homes for children, including fostering
- a range of residential and day services for disabled children and adults
- two nursing and residential care homes for older people

In addition, the Charity fundraises to provide services to support the most impoverished and disadvantaged people across the North East.

The Charity's strategic Five-Year Plan for 2020-2025, was originally approved by the Directors in 2019, and has been reviewed and updated during 2022 as the pandemic has eased. It is revisited and formally reviewed every year by the Directors.

The Directors have reviewed the Charity's Statement of Purpose, together with its Vision and Aims and Objectives and are satisfied that the Charity continues to meet the requirements of the Charity Commission's guidance on public benefit.

Achievements and performance
The Charity's activities include a broad range of complex care services across the North East, regulated by Ofsted for children's services, and, the Care Quality Commission (CQC) for adults' services. The regulators undertake regular and unannounced inspections. These inspections offer an independent measure of the Charity's performance and all of the Charity's services are rated "Good" or "Outstanding". The charity's two day-resources for people with disabilities are not regulated areas of work.

The Charity's regulated services, independently rated, reflect the high standards and quality care that are delivered by the Charity's care teams. The Charity's Vision is to achieve excellence in all that it does and there can be no better measure of the Charity's performance than the feedback received from residents, families, our teams and fellow professionals. The Directors consider these testimonials to be a direct demonstration of the Charity's values and progress. A selection of the testimonies received over this past year are included on the page below and more detail can be accessed from the Charity's Annual Review, website and social media pages at https://linktr.ee/stcuthbertscare.

St Cuthbert's Care

Testimonials:

'The care by staff is second to none. One child scored living in the home as 10 out of 10.'
Extract from Auton Sunderland's (children's home) latest Ofsted Report

'Children are making progress because of the care they receive from staff. One social worker said, "They have come on leaps and bounds, considering what is going on in their little world." '
Extract from Auton Darlington's (children's home) latest Ofsted Report

'Not only is the personal care of a high standard but it was the manner in which it was provided that sets this organisation apart.'
Extract from the Alan Shearer Specialist Residential home's CQC Report

'I witnessed great loving care from the care staff.' **Extract from Holy Cross' CQC Report**

'Staff enable and encourage people to maintain relationships important to them and to reconnect with things that made them individual.'
Extract from St Catherine's CQC Report

'I have to commend everyone at St Catherine's for their scrupulous attention to detail in making sure residents at their home remain Covid free. Despite these testing times, everyone has remained upbeat and incredibly positive.'
Dr Vinay Sharma, St Catherine's designated GP

'I go to many care and nursing homes and St Catherine's really stands out as being the most warm and welcoming place with a great atmosphere from first walking in. The level of care also stands out and the staff are always more than helpful, going above and beyond and full of enthusiasm, personality and care for their residents. It's lovely to see.'
Yasmin Hussan, Podiatrist

'Staff are wonderful and my daughter couldn't be better looked after. She is in the best place and lives the best life.'
Mother of resident at the Alan Shearer Specialist Residential home

'I will be forever grateful to the amazing staff for caring for Mam for the last 21 years! I'm so pleased she was able to stay with you until the end.'
Daughter of a deceased resident at St Catherine's home

'I love working here. The care we provide is truly person-centred which gives me a great sense of job satisfaction. I always feel fully supported by my manager and the staff team – it's a pleasure to come to work.'
Louise Grey, Carer at St Catherine's

"I started working for St Cuthbert's Care earlier this year and was welcomed into the team straight away. The staff I've met at the various parts of the charity share one thing in common, they all really care about the people they work with. It didn't take me long to feel the same way. Working at St Cuthbert's Care doesn't feel like joining a company, it feels like joining a family." **Dex Hannon, Marketing and Communications Officer**

'The support I have received from the charity, from when I contracted Covid and throughout my Long Covid recovery, has been nothing short of phenomenal. I can't thank the management team enough and genuinely believe that, without their support, I would not be as far along in my recovery as I am now.'
Abbie Cresswell, Safeguarding Lead and Assistant Director of Care

'I've lived here for nearly 3 years, and I feel very much at home. Along with my other residents, I'm cared for with sensitivity and generosity. Thanks to all of the wonderful staff. I feel that St Cuthbert's Care should be very proud of their home in Sunderland.'
Canon Robert Spence, Resident at Holy Cross nursing home

'I couldn't imagine living in a better home as it's like a five-star hotel! I feel very safe here and I don't think of the staff team as staff – they have become my friends and I think of them as my extended family.'
Dorothy, resident at St Catherine's

'All of the staff at Sherringham House are marvellous, they help me whenever I need it and I couldn't ask for any better. I love living at Sherringham House, I wouldn't want to be anywhere else.' **Peter Burke, Independent Supported Resident**

St Cuthbert's Care

The Charity continued to face the challenges of the Covid pandemic this year and the measures implemented last year enabled the Charity to ensure those in our services remained safe. The continued focus on keeping staff and residents safe from Covid restricted the Charity's ability to further its strategic plans and development as much as it would have chosen. As the pandemic has eased, strategic focus has increased.

The non-regulated day services that the Charity closed last year were re-opened and only the short break respite service remains closed until sufficient carers are recruited to open the service safely. The Charity continued to encourage all employees to isolate at any signs of infection and they were paid in full for isolating to keep all safe.

The Charity's significant achievements this year include:

- Remaining an accredited Living Wage Employer. Our Charity is still one of only a few charities operating in the adult care sector in the North East to be so. This achievement is made all the greater with the backdrop of the pandemic and the underfunding of the social care sector as a whole. In addition, the Directors approved an additional one week's paid annual leave to all employees in recognition of their commitment to the charity during the pandemic, and made an additional £100 bonus, pro rata, to all employees. Valuing employees will always be at the heart of our Charity's culture.
- Further expansion and development of its specialist disability service. The development work has allowed two new rooms to be available to allow the Charity to expand its acquired brain injury offering. This has generated an immediate new income stream.
- Continuation of our new dementia offering at our nursing home at St Catherine's in Newcastle. Dr Ruth Cromarty, the Charity's Dementia Lead, oversaw the latest phase of the room layouts and decoration. This paves the way for the opening of our dedicated specialist dementia area within the home by 2024.
- Strong and improved financial performance. This year enabled the recommencement of major fundraising events by the Alan Shearer Foundation. This strengthened financial position will allow the Charity to cushion the impact of reduced Covid grant income commencing April 2022 and will allow the Charity to continue to invest in its services.
- Safe and phased re-opening of the Charity's two day-resources for people with disabilities, following their closure during the height of the pandemic.
- Smooth recruitment of a new HR Lead, following the retirement of the Charity's Director of HR after 22 years. The new HR Lead has settled in well and will help to take forward the Charity's objective to enable all employees to have a greater voice within the Charity. The new postholder is a Mental Health first-aider and is keen to develop many more supportive initiatives for our wonderful teams across the Charity.
- Continuation of digital advancements across the whole of the Charity. The Charity's strategic vision includes a focus on digital enhancements to maximise efficiencies and to improve working practices.
- Celebrations across the Charity's services to mark the 75th anniversary of St Cuthbert's Care. Due to Covid, many of these had been postponed but were undertaken between March and April 2022. Parties and gatherings took place all over the Charity, resulting in a feel-good mood that lasted well into the Queen's Jubilee celebrations.

Financial review
The Statement of Financial Activities for the year is set out on page 14 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

Income generation
The Charity's income from charitable activities increased by 1.4%. This comprises an increase in care for children, fee uplifts for in care for adults and older people but reduced occupancy in our nursing homes. All of the grant income

received related to the Government support for the additional costs of working to prevent the spread of Covid in social care settings. Our ability to increase income from care services is limited due to the funding constraints imposed on the social care sector by local authorities.

The Charity's total income this year is £10,160,348 (2021: £9,802,918), an increase of £357,430. The increase reflects the recommencement of fundraising activities following the reduction in restrictions due to the Covid pandemic.

Fundraising
Donated income has increased but is still below pre-pandemic levels with donations from schools and parishes in the Diocese being the areas affected most. Donations and legacies enable the Charity to support the most vulnerable members of society where often no other funding is available. The Charity is most grateful to all of its supporters. Fundraising is co-ordinated by the Charity's own employees, volunteers and patrons. No external fundraisers are engaged. Money is raised through voluntary contributions from the Charity's supporters, local businesses and organised events.

The Alan Shearer Foundation raised £488,843 during the year (2021: £213,328) with the increase being a result of the re-commencement of fundraising activities that were not possible during the pandemic. The Directors sincerely thank patrons, Lainya and Alan Shearer, along with their incredibly supportive family, for their continuing support of the Charity. The Directors would also wish to acknowledge and thank the support of patron Mike Browne and volunteer Lesley Fulton, for their dedication and efforts in working alongside the Shearer family in ensuring the continued success of the Foundation. The Charity is deeply grateful to the support freely given to the Charity by Lainya and Alan Shearer, their family and the Foundation members.

The Charity is registered with the Fundraising Regulator and follows their Code of Fundraising Practice. The Charity does not participate in any fundraising that may be considered aggressive or intrusive and has received no complaints during the year in connection with its fundraising.

Cashflow
The charity generated £148,421 increasing its cash balance to £2,614,210. This represents approximately three months' expenditure and enables the Charity to invest in its services and manage the financial challenges of higher inflation, constrained funding and occupancy levels.

Resources expended
Total expenditure this year increased by 2.9% to £9,948,370 (2021: £9,666,486). This reflects the re-commencement of fundraising activities and increases in salaries for our employees to maintain the charity's commitment to remain a real Living Wage Employer.

Employees and volunteers
St Cuthbert's Care relies on the skills and dedication of its employees and volunteers to ensure that care services are person-centred and delivered with warmth and compassion. During the year, the Charity had an average of 291 (2021: 294) full and part-time employees delivering care and support. Towards the end of the year volunteers started to return into our services and through their time and enthusiasm, volunteers add value to the Charity's services, enriching the lives of the Charity's beneficiaries. Efforts to recruit new volunteers throughout the Charity are due to re-start now that Covid restrictions have eased. We especially thank all of our employees and volunteers for their continued dedication and commitment throughout the Covid-19 pandemic.

Our care teams continue to demonstrate their dedication to the Charity and the people we support through their commitment to ensure that our beneficiaries receive the best care possible. Our training and development of employees recognises those that go above and beyond to develop their skills. We recognise the demands on our teams and continue to provide a free confidential counselling service available to all our employees.

These actions evidence the Charity's commitment to its employees and very much reflect the Charity's culture in valuing and respecting every individual.

The Charity's recruitment policies reflect its commitment to equal opportunities in employment. The Charity takes all reasonable steps to employ, train and promote employees based on their experience, abilities and qualifications without regard to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief or sexual orientation. The Charity is also an approved user of the *Positive about Disabled People* symbol and has achieved the *Better Health at Work* accreditation. The Charity is an accredited Living Wage Employer.

The Charity's gender pay gap report shows that the Charity's workforce is predominantly female – a profile which reflects the historical wider nature of the social care sector. All employees are paid the same rate for the job grade regardless of gender.

All new employees and volunteers undertake a thorough programme of induction training, which includes attendance at a Charity induction day, led by the Chief Executive. This marks the beginning of a career-long learning programme at St Cuthbert's Care, which, in accordance with the Charity's Purpose, seeks to enable employees to develop to their personal potential. The employee handbook, together with employee association meetings, intranet, team meetings and regular briefings by the Chief Executive, help to keep employees informed of the Charity's initiatives and performance. The Charity's training was conducted predominantly online this year and this will continue in areas where it remains beneficial.

Plans for future periods

Now that the immediate concerns of the Covid pandemic have eased, the Directors believe the most appropriate way forward for the Charity is to deliver upon its Five-Year Plan, an outline of which is noted below. Implementation of this plan will generate new income and will continue to keep the Charity's employees at the heart of its work.

- That every service achieves, and then maintains, its highest regulatory rating at all times, as a matter of course.
- That an appropriately skilled, trained and commercially aware senior management team is developed to support the future direction of the charity.
- That the voices of service-users and staff, throughout the charity, are strengthened by embedding a stronger culture of inclusivity supported by improved communication channels.
- That an environmental strategy is agreed and implemented that supports, enhances and sustains the charity's ecological efforts.
- Re-investment in and reconfiguration of, children's residential services, to ensure we can respond positively to the changing and demanding needs of young people in care today.
- Restructure and modernisation of Fostering North East with a result of substantially increased income streams.
- Further development of the Acquired Brain Injury (ABI) specialist provision at the Alan Shearer Centre.
- Continue the development of the dedicated dementia offering at St Catherine's.
- Initiate feasibility work for extra care provision at Holy Cross.

In addition, the Charity has been successful recently in tendering to be the support provider for a new independent living service in Newcastle. This expands the provision of our "Outstanding" CQC rated service in Newcastle.

Principal risks and uncertainties

The Charity's core work is in frontline high-risk care provision, and as noted earlier in this report, risk management is embedded in every aspect of the Charity's activities. The Directors have considered the Charity's risks and seek to minimise them as far as is practical.

The Directors consider the continual under-funding of services by commissioning bodies that is prevalent across the whole of the social care sector to be the most significant risk facing the Charity in the short to medium term and particularly due to the increasing inflation rate.

In addition, the Charity must operate with high occupancy levels. It is essential that consistent occupancy levels are maintained to ensure regular cash flows. In turn, this enables the Charity to re-invest in its services. Whilst there are encouraging signs that occupancy levels are starting to improve in our nursing homes, families still remain cautious in placing their loved ones into residential care. Our forecasts for the year allow for a gradual improvement in occupancy levels throughout the next year and our 12-month rolling cashflows are able to support this staged improvement in occupancies.

The reputation for delivering high quality care places the Charity at the forefront of excellent care delivery within the region amongst the placing authorities. The Charity also undertakes robust fee negotiations for every single service. In addition, being a Living Wage Employer enables the Charity to attract high calibre and committed teams, offering stability in a sector where recruitment is notoriously difficult. Together, these actions, supported by a strong culture of transparency and prudent stewardship, have allowed the Charity to manage this sector-wide issue of underfunding.

Covid-19 Pandemic

Whilst the restrictions imposed on the general population had substantially eased during the year many restrictions still remained in the social care sector and the Charity's senior management and care teams continued to focus on preventing any impact of the Covid-19 pandemic on the Charity's employees and the people it supports. Government grants received during the year have helped to mitigate the financial impact of the additional costs of the above measures.

The focus of the Charity's senior management is now on returning its services to normal operating levels and opening the one remaining closed service whilst continuing with infection control measures to prevent the spread of Covid.

The financial support to the social care sector in the form of grant funding has now ceased whilst the additional costs of the measures implemented have not, but the Directors do not expect this to have a material impact on the financial results for 2022/23. The charity's forecasts for the coming year allow for occupancy levels in the Charity's nursing homes increasing throughout the year and forecast a small operating surplus for 2022/23. The Charity's cash reserves mean that should the results be worse than forecast the Charity would still be able to continue to pay its debts as they fall due beyond 12 months from signing this report.

The Directors having reviewed the measures implemented during the year do not consider that the pandemic has had a significant detrimental impact on the Charity; outside of the pandemic, effective infection control and keeping people safe are integral parts of the Charity's core work, and the Charity delivers this well.

The Charity's work is the provision of essential care services commissioned by local authorities and there remains an interest and demand for the Charity's services with an increase in some referral areas as the Covid-19 restrictions have been eased. The Charity's excellent reputation with commissioning authorities adds further comfort. Nonetheless, the Directors expect this coming financial year to be challenging as Government support is reduced but many of the additional costs remain. They are however confident that through effective management backed up by a healthy cash reserve the Charity will manage the challenges ahead.

More details about the Charity's services, testimonials and information on future developments can be found on the Charity's website: www.stcuthbertscare.org.uk.

The Board of Directors approved the Strategic Report at the Annual General Meeting.

On behalf of the Board

Rt Rev Robert Byrne
Chairman

27 July 2022

St Cuthbert's Care

Directors' report for the year ended 31 March 2022

The Directors present their report and the audited financial statements for the year ended 31 March 2022.

Structure, governance and management
The Charity was founded in 1946 and then incorporated in England as a charitable company limited by guarantee on 23 June 1982. It is governed by Articles of Association which were last amended on 19 March 2014. Its objects are to carry out all forms of social care.

Governance and internal control
The Articles of Association allow for up to 12 directors to be appointed at any one time. The Directors are also trustees. The Board of Directors meets quarterly and has appointed a Chief Executive to manage the day-to-day activities. The Chief Executive is a director.

The Board is supported by three sub-committees:

- The Audit, Finance and Risk sub-committee oversees the finances and management of risk for the Charity. Effective risk management is embedded within the culture of St Cuthbert's Care. The managers of the Charity's services implement, review and amend risk management plans as and when required; often daily. A risk panel, comprising the Charity's key management personnel and the Director of Compliance, meets monthly to assess all risks to the Charity, both potential and actual, and implements appropriate controls.

- The Remuneration sub-committee benchmarks and reviews salaries and benefits across the Charity.

- The Nominations sub-committee considers suitable applicants to be proposed to the full Board for consideration for appointment as directors. Directors are interviewed and proposed by the Nominations sub-committee and appointed by invitation of the Bishop. The Charity aims to ensure and maintain a balance of skills and experience relevant to the work and business needs of the Charity.

Key management personnel

Chief Executive	Moira Ashman
Director of Finance & IT	Nic Gilbert
Director of Care	Amanda Head
Director of Children's Services	Jody Scott
Director of Compliance	Gill Ennis
Director of HR	Geraldine Martin (retired on 31 March 2022)
HR Lead	Denise Hall (commenced employment on 14 March 2022)

Directors
The directors of the company during the year and up to the date of signing are listed on page one. The Bishop of the Roman Catholic Diocese of Hexham & Newcastle has ex-officio status on the Board.

The Charity inducts every director upon appointment and provides training days. These are led by the Chief Executive and typically, include refresher training on trustees and directors' legal duties and responsibilities. Visits to the Charity's services will be reinstated this year and arranged for the Directors so they can meet the Charity's beneficiaries and employees. This maximises informed decision making.

Financial review
The Statement of Financial Activities for the year is set out on page 14 of the financial statements. A summary of the financial results and the work of the Charity is included in the Strategic report.

Investment policy
Under the Articles of Association, the Charity has the power to make any investment which the Directors see fit. Currently, and throughout the year, funds have been invested in short term cash deposits only. The Directors consider this to be the most appropriate course given the short term needs of the Charity.

Insurance of directors
The company had during the year ended, and continues to maintain, appropriate insurance for the Directors in respect of liabilities that may arise against them personally in connection with their duties as directors of the company and as trustees.

Pay policy for senior employees
The pay of senior employees is reviewed annually by the Directors. Part of this process includes the benchmarking of local market rates in similar organisations.

Reserves policy
The Directors require the Charity's reserves to be sufficient to allow St Cuthbert's Care the flexibility to continue to operate and develop in accordance with the Charity's Statement of Purpose and Articles of Association. The Directors believe the general funds should reflect one month's budgeted expenditure with a maximum margin of 10%. The current level of reserves complies with this statement. The Directors review the policy on reserves on an annual basis.

In addition there is one designated fund which is maintained by the Charity and details can be found in note 17 in the financial statements.

Dividends and transfers to reserves
The surplus of incoming resources over expenditure amounted to £211,978 (2021: £136,432) and has been taken to reserves. In accordance with the company's Articles of Association no dividends are payable.

Statement of directors' responsibilities
The Directors (who are also trustees of St Cuthbert's Care for the purposes of charity law) are responsible for preparing the Directors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the charitable company's website and social media accounts. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors
In so far as the Directors are aware at the time of approving this report:

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

The Board of Directors approved the Directors' Report at the Annual General Meeting.

On behalf of the Board

Rt Rev Robert Byrne
Chairman

27 July 2022

St Cuthbert's Care

Independent auditors' report to the members of St Cuthbert's Care

Report on the audit of the financial statements

Opinion

In our opinion, St Cuthbert's Care's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2022; the Statement of financial activities (incorporating an Income and Expenditure Account), the Reconciliation of funds, and the Statement of Cash Flows for the year then ended; the Accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- *Independence*

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Annual Report
In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

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

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

Auditors' 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 auditors' 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.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with the requirements of the Care Quality Commission (CQC), the Office for Standards in Educations (Ofsted), and the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such

as the Companies Act 2006.We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and management bias in determining accounting estimates. Audit procedures performed included:

- Testing journal entries selected on a risk basis for appropriateness and obtaining supporting evidence for the significant assumptions and judgements made by management;
- Enquiry of management and those charged with governance around potential litigation and claims; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

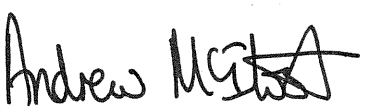
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew McIntosh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle
27 July 2022

St Cuthbert's Care

Statement of financial activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2022

	Note	Unrestricted funds	Restricted funds	2022 Total	2021 Total
		£	£	£	£
Income					
Income from charitable activities:					
Care for children		**2,358,635**	-	**2,358,635**	2,191,905
Care for people with disabilities		**2,565,856**	**3,039**	**2,568,895**	2,455,899
Care for older people		**3,395,315**	-	**3,395,315**	3,455,499
Grants receivable		**290,274**	-	**290,274**	281,213
Fostering & social work		**924,750**	-	**924,750**	1,020,212
Income from donations, legacies and other trading activity					
Donations		**62,994**	**228,177**	**291,171**	164,512
Legacies		**26,019**	-	**26,019**	51,500
Other trading activities		**43,744**	**260,666**	**304,410**	177,267
Investment income		**670**	**209**	**879**	4,911
Other income		-	-	-	-
Total income		**9,668,257**	**492,091**	**10,160,348**	9,802,918
Expenditure					
Expenditure on charitable activities	1	**9,602,633**	**223,724**	**9,826,357**	9,636,259
Expenditure on raising funds					
Donations and legacies	2	**4,630**	-	**4,630**	5,074
Other trading activities	2	**5,538**	**111,845**	**117,383**	25,153
Total expenditure		**9,612,801**	**335,569**	**9,948,370**	9,666,486
Net income for the year	6	**55,456**	**156,522**	**211,978**	136,432

All operations are continuing.

All gains and losses in the year are included in the Statement of Financial Activities. There is no difference between the reported result for the year stated above and the historical cost equivalents.

St Cuthbert's Care

Reconciliation of funds for the year ended 31 March 2022

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Fund balances at 1 April	6,494,055	525,635	7,019,690	6,883,258
Net income for the year	55,456	156,522	211,978	136,432
Fund balances at 31 March	**6,549,511**	**682,157**	**7,231,668**	7,019,690

Balance sheet as at 31 March 2022

Company registration number: 1645917

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	**5,001,597**	5,180,414
Total fixed assets		**5,001,597**	5,180,414
Current assets			
Debtors	9	**615,810**	618,625
Cash at bank and in hand		**2,614,210**	2,465,789
Total current assets		**3,230,020**	3,084,414
Creditors: amounts falling due within one year	10	**(651,740)**	(860,925)
Net current assets		**2,578,280**	2,223,489
Total assets less current liabilities		**7,579,877**	7,403,903
Creditors: amounts falling due after more than one year	11	**(275,000)**	(300,000)
Provisions for liabilities and charges	12	**(73,209)**	(84,213)
Net assets		**7,231,668**	7,019,690
The funds of the Charity			
Unrestricted funds			
General funds	17	**800,000**	750,000
Designated funds: Charity assets fund	17	**5,749,511**	5,744,055
		6,549,511	6,494,055
Restricted funds	17	**682,157**	525,635
Total funds	17	**7,231,668**	7,019,690

The financial statements on pages 14 to 30 were approved by the Board of Directors on 27 July 2022 and were signed on its behalf by:

Rt Rev Robert Byrne
Chairman

St Cuthbert's Care

Statement of Cash Flows for the year ended 31 March 2022

	Note	2022	2021
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	14	**179,220**	**670,468**
Cash flows from investing activities			
Interest received		**879**	4,911
Purchase of tangible fixed assets		**(31,678)**	(9,428)
Net cash used in investing activities		**(30,799)**	(4,517)
Cash flows from financing activities			
Net cash used in financing activities		**-**	-
Change in cash and cash equivalents in the reporting period	15	**148,421**	**665,951**
Cash and cash equivalents at the beginning of the reporting period		2,465,789	1,799,838
Cash and cash equivalents at the end of the reporting period		**2,614,210**	**2,465,789**

Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Preparation of the Financial Statements on a going concern basis
In the year ended 31 March 2022 the charity recorded a surplus for the year of £211,978 and generated cash from operating activities of £148,421 leading to a year end cash position of £2,614,210 with no borrowings.

The Covid-19 pandemic has not had a material impact on the charity during the year to 31 March 2022. The Government has agreed to extend the provision of free PPE to the social care sector up to 31 March 2023. The ceasing of financial support to the social care sector towards other additional costs is not expected to have a material impact on the charity's overall finances.

The charity's work is the provision of essential care services commissioned by local authorities and there remains a strong interest and demand for the charity's services. Referrals to our two nursing homes are increasing and the charity's excellent reputation with commissioning authorities adds further comfort. The Charity has been successful with two tenders in the first quarter which will result in increased revenues during 2022/2023.

The Charity's forecasts for the coming year factor in both the current high rate of inflation and the increasing interest rates. The charity has no borrowings but does have cash on deposit so will benefit from the higher interest rates overall. Payroll costs account for the majority of the Charity's expenditure and higher inflation, if sustained, will result in pressure for wage inflation which may not be full covered by fee increases due to funding constraints from local authorities. However, the Charity's cash reserves give comfort that this would be manageable in the short term.

The Directors have reviewed and assessed the financial performance for the first quarter of 2022/2023, the result are in line with expectation and cash of £31,894 has been generated from operations. A cash flow forecast for the period to July 2023 has been prepared, which considers realistic cash flow sensitivities and this together with continued demand for the Charity's care services gives the Directors confidence in continuing to adopt the going concern basis of accounting.

Accounting policies (continued)

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

For legacies, entitlement is the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Donated goods and services
The value of donated goods to the Charity which are for resale are recognised in the financial statements as income when sold due to the low-value of items received.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised; details about the volunteers' contribution can be found in the Directors' report.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs include expenditure which cannot be directly attributed to particular headings and have therefore been allocated to activities on the basis of employee costs. Governance costs represent the legal and professional fees of running the Charity and costs associated with preparing and holding Board meetings and are included within support costs. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets
Fixed assets costing more than £7,500 are capitalised and included at purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected lives. The principal annual rates used for this purpose are:

	%
Freehold land	0
Furniture, equipment and plant	5 - 33
Motor vehicles	20
Assets in the course of construction	0

Freehold and long leasehold buildings are depreciated over 50 years or, if shorter, over the period of the lease.

Accounting policies (continued)

Fixed asset investments
Fixed asset investments are stated at the lower of cost or net realisable value.

Operating leases
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable are charged on straight line basis over the term of the lease.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

Financial Instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grants receivable
Grants, including those for the purchase of fixed assets, are recognised in full when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Fund accounting
General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in note 17 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Accounting policies (continued)

Pension costs
The Charity makes available a defined contribution pension scheme to employees to which it contributes. The scheme originally set up as a stakeholder pension scheme meets the automatic enrolment rules.

There is a historical unfunded pension liability and adjustments to this pension liability, referred to in note 12, are made in line with actuarial factors based on the invoiced costs from the administering authority and adjusted to include a cost of living increase. These costs are included in the SOFA.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires management to make estimates and judgements. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no estimates or judgements made during the year which had a material impact on the results reported in the financial statements.

Notes to the financial statements for the year ended 31 March 2022

1 Expenditure on charitable activities

	Direct costs £	Support costs £	**2022 £**	2021 £
Care for people with disabilities	2,349,534	229,116	**2,578,650**	2,582,553
Care for older people	4,155,608	399,646	**4,555,254**	4,338,368
Care for children, fostering & social work	2,493,643	198,810	**2,692,453**	2,715,338
	8,998,785	827,572	**9,826,357**	9,636,259

The increase in expenditure on care for older people incudes the additional costs associated with the Covid-19 pandemic and which have been partially funded by grant income from Government during the year.

2 Expenditure on raising funds

	Direct costs £	Support costs £	**2022 £**	2021 £
Voluntary income, donations & legacies	4,142	488	**4,630**	5,074
Activities for generating funds	115,937	1,446	**117,383**	25,153
	120,079	1,934	**122,013**	30,227

The increase in activities for generating funds reflects the recommencement of major fundraising activities following the relaxation of Covid-19 restrictions.

3 Support costs

Support costs, including governance costs of £29,284 (2021: £31,519), not directly attributable to projects have been allocated on the basis of employee costs and are analysed below:

	Employee costs £	Depreciation £	Other costs £	**Total 2022 £**	Total 2021 £
Charitable activities	550,063	19,575	257,934	**827,572**	783,038
Raising funds	1,285	46	603	**1,934**	3,016
	551,348	19,621	258,537	**829,506**	786,054

4 Employee costs

	2022	2021
	£	£
Employee costs:		
Wages and salaries	**6,789,411**	6,353,730
Social security costs	**562,899**	525,812
Pension costs	**151,013**	144,665
	7,503,323	7,024,207

The pension costs were charged through the Statement of Financial Activities in respect of the defined contribution scheme operated for employees and allocated on the basis of employee costs.

The company maintains insurance for its employees in respect of their duties as employees as part of its overall insurance policy. Two employees received emoluments above £60,000. One of the employees is in the band £60,000-£70,000 and one employee is in the band £80,000-£90,000.

The key management personnel of the Charity comprise the Chief Executive, the Director of Finance & IT, the Director of Care, the Director of Compliance, Director of Children's Services, the Director of HR and the HR Lead. The total employee benefits of the key management personnel of the Charity were £354,279 (2021: £350,783).

The average monthly number of employees, analysed by function was:

	2022 Number	2022 Full-Time Equivalent	2021 Number	2021 Full-Time Equivalent
Charitable activities	**289**	**215**	292	234
Expenditure on raising funds	**2**	**2**	2	2
	291	**217**	294	236

5 Directors' emoluments

	2022	2021
	£	£
Aggregate emoluments and fees	**147,000**	145,000

Emoluments are paid to two directors, M Ashman and N Gilbert for their services as directors and not as trustees of the Charity. Provision for these payments is made in the company's Articles of Association. Contributions were made to the Charity's pension scheme in respect of these directors of £7,350 (2021: £7,250). Directors received no reimbursement of travel expenses in the year (2021: £Nil).

Other than as noted above, no director was entitled to nor received any remuneration for their services (2021: £Nil) or were accruing benefits under the pension schemes (2021: £Nil) or received reimbursement of their expenses (2021: £Nil).

6 Net income for the year

Net income for the year is stated after charging:	2022	2021
	£	£
Depreciation charge for the year	**206,549**	224,558
Impairment of furniture, equipment and plant	**-**	89,935
Auditors' remuneration for audit services	**23,940**	26,200
Operating lease rentals for land and buildings	**16,340**	16,369
Loss on disposal of assets	**3,946**	-

7 Taxation

The company is a charity established under the Charities Act 2011. It is therefore exempt from taxation in respect of income and capital gains received within categories covered by S505 Income and Corporation Taxes Act 1988 or S256 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to charitable purposes only.

8 Tangible assets

	Freehold & long leasehold buildings	Furniture equipment and plant	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2021	6,296,922	2,499,983	73,656	8,870,561
Additions	-	31,678	-	31,678
Disposals	-	(13,152)	-	(13,152)
At 31 March 2022	**6,296,922**	**2,518,509**	**73,656**	**8,889,087**
Accumulated Depreciation				
At 1 April 2021	1,983,559	1,635,435	71,153	3,690,147
Charge for the year	97,500	106,904	2,145	206,549
Eliminated in respect of disposals	-	(9,206)	-	(9,206)
At 31 March 2022	**2,081,059**	**1,733,133**	**73,298**	**3,887,490**
Net book value				
At 31 March 2022	**4,215,863**	**785,376**	**358**	**5,001,597**
At 31 March 2021	4,313,363	864,548	2,503	5,180,414

9 Debtors

	2022 £	2021 £
Trade debtors	**330,727**	400,224
Other debtors	**928**	1,580
Prepayments and accrued income	**284,155**	216,821
	615,810	618,625

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	**148,412**	104,384
Other creditors	**13,079**	16,803
Taxation and social security	**169,444**	156,766
Accruals and deferred income	**320,805**	582,972
	651,740	860,925

11 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Deferred income	**275,000**	300,000
	275,000	300,000

The Directors expect the deferred income to be released to the Statement of Financial Activities over the next 11 years.

12 Provisions for liabilities and charges

Analysis of amounts charged through the statement of financial activities

	Pension provision £
At 1 April 2021	84,213
Established during the year	-
Utilised during the year	(11,004)
At 31 March 2021	**73,209**

The pension provision relates to the excess pensions liability for former teachers of two schools formerly managed by the Charity. The Directors continue to believe that the annual adjustment of the provision based on updated actuarial factors is the most appropriate approach at the current time. The Directors expect all liabilities to be met over the next 9 years.

The provision is anticipated to fall due as follows:

	2022 £	2021 £
In less than one year	**9,600**	14,808
Between one and two years	**9,888**	15,253
Between two and five years	**30,554**	43,087
In more than five years	**23,167**	11,065
	73,209	84,213

13 Share capital

The company does not have any share capital and is limited by guarantee. The members of the company are the Directors and their guarantee is limited to £1 each.

14 Reconciliation of net incoming resources to net cash inflow from operating activities

	2022 £	2021 £
Net income	**211,978**	136,432
Depreciation on tangible fixed assets	**206,549**	224,558
Impairment on tangible fixed assets	**-**	89,935
Loss on disposal of fixed assets	**3,946**	-
Decrease in deferred income	**(25,000)**	(25,000)
Decrease in provisions	**(11,004)**	(2,275)
Decrease in debtors	**2,815**	2,205
(Decrease) / increase in creditors	**(209,185)**	249,524
Interest received	**(879)**	(4,911)
Net cash provided by operating activities	**179,220**	670,468

15 Reconciliation of net cash flow to movement in net cash resources

	2022 £	2021 £
Change in cash and cash equivalents in the reporting period	**148,421**	665,951
Movement in net funds for the year	**148,421**	665,951
Net funds at 1 April 2021	**2,465,789**	1,799,838
Net funds at 31 March 2022	**2,614,210**	2,465,789

16 Analysis of net cash resources

	1 April 2021 £	Cash flow £	31 March 2022 £
Cash at bank and in hand	2,465,789	148,421	**2,614,210**
Net funds	2,465,789	148,421	**2,614,210**

17 Statement of funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
General funds	750,000	9,668,257	(9,612,801)	(5,456)	**800,000**
Designated funds					
Charity assets fund	5,744,055	-	-	5,456	**5,749,511**
Total unrestricted funds	6,494,055	9,668,257	(9,612,801)	-	**6,549,511**
Restricted funds:					
Alan Shearer Foundation	525,635	492,091	(335,569)	-	**682,157**
Total restricted funds	525,635	492,091	(335,569)	-	**682,157**
Total funds	7,019,690	10,160,348	(9,948,370)	-	**7,231,668**

The General fund represents the free funds of the Charity which are not designated for particular purposes with excess funds being transferred to the Charity assets fund.

The Charity assets fund represents those funds that have been designated by the Directors for the provision of existing services in furtherance of the Charity's objects.

The charity has one restricted fund. The Alan Shearer Foundation which represents those funds raised by the Foundation which have not yet been spent on charitable activities.

17 Statement of funds (continued)

Analysis of net assets between funds

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Fixed assets	-	5,001,597	-	**5,001,597**
Current assets	682,157	1,061,123	1,486,740	**3,230,020**
Current liabilities	-	-	(651,740)	**(651,740)**
Long term liabilities and provisions	-	(313,209)	(35,000)	**(348,209)**
	682,157	5,749,511	800,000	**7,231,668**

18 Related party transactions

The Charity has a close working relationship with the Roman Catholic Diocese of Hexham & Newcastle, which is also a charity. The Charity invoiced £143,655 (2021: £88,688) in respect of shared costs associated with the provision of offices for both parties, social work services relating to the retired priests of the Diocese and care home fees for retired priests. As at 31 March 2022 £20,164 (2021: £14,029) remained outstanding and is included in debtors.

ST CUTHBERT'S CARE

England & Wales - Charity number 512912

Accounts

St Cuthbert's Care

(A company limited by guarantee)

Annual Report

for the year ended 31 March 2021

Registered Number 1645917

Registered Charity Number 512912

St Cuthbert's Care

Annual Report

for the year ended 31 March 2021

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St Cuthbert's Care

Directors and Advisors for the year ended 31 March 2021

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Directors

Miss M Ashman	(Chief Executive)
Right Rev Bishop R Byrne	(ex-officio) (Chairman)
Mr J Devine	(resigned 28 October 2020)
Mr M Dickson	
Mr N Gilbert	
Mrs A Johnson	
Dr J Kelliher	(resigned 30 April 2020)
Dr K Mannix	
Mr P Moran	
Mrs K Urwin	

Company secretary and registered office
Mr N Gilbert
St Cuthbert's House
West Road
Newcastle upon Tyne
NE15 7PY

Independent Auditors
PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Solicitors
Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Bankers
National Westminster Bank PLC
16 Northumberland Street
Newcastle upon Tyne
NE1 7EL

Strategic report for the year ended 31 March 2021

The Directors present their strategic report for the year ended 31 March 2021.

Objectives and activities
The Charity's Statement of Purpose reads:

St Cuthbert's Care is a charity working for the common good by enabling people to develop to their personal potential

The Charity's Vision reads:

To achieve excellence in all that we do

The Charity is a frontline registered care provider which benefits the public as a whole and the core services below represent the Charity's principal activities:

- residential care homes for children, including fostering
- a range of residential, short break and day services for disabled children and adults
- two nursing and residential care homes for older people

In addition, the Charity fundraises to provide community services to support the most impoverished and disadvantaged people across the North East.

The Charity's strategic Five Year Plan for 2020-2025, was approved by the Directors in 2019, and is regularly and formally reviewed.

The Directors have reviewed the Charity's Statement of Purpose, together with its vision and aims and objectives and are satisfied that the Charity continues to meet the requirements of the Charity Commission's guidance on public benefit.

Achievements and performance
The Charity's activities include a broad range of complex care services across the North East, regulated by Ofsted for children's services, and, the Care Quality Commission (CQC) for adults' services. The regulators undertake regular and unannounced inspections. These inspections offer an independent measure of the Charity's performance. The charity's community work and its two day-resources for people with disabilities are not regulated areas of work.

The Charity's regulated services, independently rated, reflect the high standards and quality care that are delivered by the Charity's care teams. The Charity's Vision is to achieve excellence in all that it does and there can be no better measure of the Charity's performance than the feedback received from residents, families, staff teams and fellow professionals. The Directors consider these testimonials to be a direct demonstration of the Charity's values and progress. Testimonies received over this past year can be accessed from the Charity's Annual Review, its websites and its social media pages.

The Charity faced unprecedented challenges this year and responded swiftly to every concern. This swift decision-making undoubtedly accounted for the Charity's ability to ensure services remained safe. The Charity adapted its plans in every area of its work to manage the challenges posed by the Covid-19 pandemic. Inevitably, most of the Charity's strategic plans were put on hold to enable the Charity's senior management team to focus on keeping its employees and those that it cares for safe.

Being a regulated provider of frontline care, the Charity had a responsibility to ensure all residential services remained open. The Charity temporarily closed its non-regulated day services and short break respite service. It also permanently closed one of its children's homes and transferred the remaining child to another of its homes. These actions helped to minimise the risk of transmission of Covid between the people using these services and enabled the staff working in them to be re-deployed to strengthen the staff teams in our residential services. The Charity also secured PPE at an early stage and suffered no shortages and encouraged all staff to isolate at any signs of infection. The staff teams were paid in full for isolating, and although this impacted slightly on our financial position, this stance encouraged transparency and ultimately, allayed fears and kept all safe.

The Charity's significant achievements this year include:

- Swiftly and continually, adapting working practices and processes to ensure employees, residents and services users remained safe: practices were flexed throughout the year to ensure effective contact with residents and service users' families, either virtually or in person using our Covid secure visiting rooms and pods. Office-based staff were supported to work remotely and the Charity operated with full and adequate PPE at all times and managed to source its own lateral flow tests in late November 2020 in advance of the supplies becoming available to the Charity in January 2021.
- St Catherine's Nursing home in Newcastle remaining entirely free of the virus throughout. We have subsequently been approached to participate in programmes and pilot schemes, including a short safeguarding film, to analyse and to highlight the excellent practice undertaken by the home's teams during this difficult time.
- Digital advancement in every area of the Charity. This had been part of the Charity's strategic vision within its Five Year Plan, and the pandemic forced this area to the top of our agenda. The Charity had already embarked upon a programme of online training but this aspect has now become fully integrated into our working practices, bringing a more cost-effective and streamlined approach to our training.
- Remaining an accredited Living Wage Employer. Our Charity is still one of only a few charities operating in the adult care sector in the North East to be so. This achievement is made all the greater with the backdrop of the pandemic and the underfunding of the social care sector as a whole. This objective will always be at the heart of our Charity's culture.
- The internal development of a dedicated specialist dementia area at St Catherine's, led by our Dementia Lead, Dr Ruth Cromarty. This area will help to improve the care and support of people with dementia throughout their daily activities.

Financial review
The Statement of Financial Activities for the year is set out on page 14 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

Income generation
The Charity's income from charitable activities increased by 1.86%. This reflects the increase in fostering placements during the year and grants received for the additional costs of working related to Covid. Funding for the social care sector remains constrained and limits our scope to increase fees.

The Charity's total income this year is £9,802,918 (2020: £9,815,603), a decrease of £12,685. The decrease reflects the decrease in income from fundraising activities due to the Covid pandemic.

Fundraising
Donated income was down due to reduced receipts from schools and parishes in the Diocese as a result of the restrictions on attendance and fundraising activities during the pandemic. Donations and legacies enable the Charity to support the most vulnerable members of society where often no other funding is available. The Charity is most grateful to all of its supporters. Fundraising is co-ordinated by the Charity's own staff and no external fundraisers are engaged. Money is raised through voluntary contributions from the Charity's supporters, local businesses and organised events.

The Alan Shearer Foundation raised £213,328 during the year (2020: £302,834) due to remarkable efforts by Alan Shearer. Alan Shearer kindly donated the boots and shirt that he wore when he scored his 250th Premier League goal. The Alan Shearer Foundation mobilised to arrange on online prize draw which raised £127,940. The Directors sincerely thank patrons, Lainya and Alan Shearer, along with their incredibly supportive family, for their continuing support of the Charity. The Directors would also wish to acknowledge and thank the support of patron Mike Browne and volunteer Lesley Fulton, for their dedication and efforts in working alongside the Shearer family in ensuring the success of the Foundation.

The Charity is registered with the Fundraising Regulator and follows their Code of Fundraising Practice. The Charity does not participate in any fundraising that may be considered aggressive or intrusive and has received no complaints during the year in connection with its fundraising.

Cashflow
At the beginning of the pandemic the charity took action to preserve cash by reducing non-essential capital expenditure and deferring new developments. This action, despite the challenging year, resulted in the Charity generating £665,951 in cash during the year and strengthened its cash balance to £2,465,789. This places the Charity in a better position to manage the financial challenges created by the Covid-19 pandemic until the occupancy levels in the Charity's services return to their pre-pandemic levels.

Resources expended
Total expenditure this year decreased by 0.77% to £9,666,486 (2020: £9,741,513). This reflects the reduction in charitable expenditure due to the temporary closure of services during the pandemic and a continued focus on controlling costs and efficiencies given the constrained income streams.

Employees and volunteers
St Cuthbert's Care relies on the skills and dedication of its employees and volunteers to ensure that care services are person-centred and delivered with warmth and compassion. During the year, the Charity had an average of 294 (2020: 297) full and part-time employees delivering care and support. The restrictions of the Covid pandemic prevented many of our volunteers from being able to work with our salaried staff. Through their time and enthusiasm, volunteers add value to the Charity's services, enriching the lives of the Charity's beneficiaries. As restrictions ease we will welcome back our volunteers and recommence efforts to recruit new volunteers throughout the Charity. We especially thank all of our staff and volunteers for their ongoing dedication and commitment during the Covid-19 pandemic.

Our staff have been the lifeblood during the pandemic and have gone over and above in keeping the people we care for safe. For this reason, the Trustees have approved one additional week's paid leave (pro-rata), for the year 2021 / 2022, to all staff.

There is no doubt that our staff teams have endured the most difficult year in our Charity's history. The demands have been real and as a responsible employer, we appreciate the demands on mental health too. We have always provided a free confidential counselling service for our teams and this benefit continues to be available to all.

These actions evidence the Charity's commitment to its staff teams and very much reflect the Charity's culture in valuing and respecting every individual.

The Charity's recruitment policies reflect its commitment to equal opportunities in employment. The Charity takes all reasonable steps to employ, train and promote employees based on their experience, abilities and qualifications without regard to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality and ethnic or national origin), religion or belief or sexual orientation. The Charity is also an approved user of the *Positive about Disabled People* symbol and has achieved the *Better Health at Work* accreditation. The Charity is an accredited Living Wage Employer.

The Charity's gender pay gap report shows that the Charity's workforce is predominantly female – a profile which reflects the historical wider nature of the social care sector. All employees are paid the same rate for the job grade regardless of gender.

All new employees and volunteers undertake a thorough programme of induction training, which includes attendance at a Charity induction day, led by the Chief Executive. This marks the beginning of a career-long learning programme at St Cuthbert's Care, which, in accordance with the Charity's Purpose, seeks to enable staff to develop to their personal potential. The staff handbook, together with staff association meetings, intranet, team meetings and regular briefings by the Chief Executive, help to keep staff informed of the Charity's initiatives and performance. The Charity's training was conducted predominantly online this year and this will continue in areas where it remains beneficial.

Plans for future periods

The Directors consider that in the short term the Charity will need to focus on its continued management of the challenges posed by the pandemic. The Chief Executive and the senior management team are focusing upon the implementation of a narrower set of objectives from the Charity's Five Year Plan for 2020 to 2025. Broadly, this will cover:

- Phased re-opening of the closed services
- Expansion of the charity's disabled services for people with an acquired brain injury
- Restructure and modernisation of Fostering North East with a result of substantially increased income streams
- Continued focus on staff development and to recruit and retain the highest calibre of employee to ensure excellent delivery of care
- Continued focus on digitisation to maximise efficiencies
- Revisiting the Charity's environmental strategy to ensure these aspects become embedded within the Charity's day to day culture

Principal risks and uncertainties

The Charity's core work is in frontline high-risk care provision, and as noted earlier in this report, risk management is embedded in every aspect of the Charity's activities. The Directors have considered the Charity's risks and seek to minimise them as far as is practical.

The Directors consider the continual under-funding of services by commissioning bodies that is prevalent across the whole of the social care sector to be the most significant risk facing the Charity in the short to medium term.

Secondly, the Charity must operate with high occupancy levels. It is essential that consistent occupancy levels are maintained to ensure regular cash flows. In turn, this enables the Charity to re-invest into services. Due to the pandemic, occupancy levels, particularly in our two nursing homes, dropped to a level never previously experienced by the Charity. These are now increasing but the Directors believe it may take a year before beds are filled again back to the levels enjoyed pre-pandemic.

The reputation for delivering high quality care places the Charity at the forefront of excellent care delivery within the region amongst the placing authorities. The Charity also undertakes robust fee negotiations for every single service. In addition, being a Living Wage Employer enables the Charity to attract high calibre and committed teams, offering stability in a sector where recruitment is notoriously difficult. Together, these actions, supported by a strong culture of transparency and prudent stewardship, have allowed the Charity to manage this sector-wide issue of underfunding.

Covid-19 Pandemic

During the year the Charity's senior management focused on managing and mitigating the impact of the Covid-19 pandemic on the Charity's operations. The receipt of Government grants towards the additional costs being incurred reduced the financial impact and enabled senior management to focus on measures to protect its employees and the people it supports.

The Charity's primary purpose is to deliver frontline registered care. At the start of the pandemic the Charity chose to temporarily close four of its services to reduce the risks of transmission of the virus in non-residential day and short break services and to re-deploy the staff teams. The redeployment of these teams has been integral to ensure stability to the Charity's residential services, strengthening the existing teams, allowing staff to isolate when necessary, and ensuring adequate staffing levels at all times. The services that remained open adapted service provision, maintained social distancing where practical and communicated virtually where possible. These actions ensured the services operated safely. This immediate action allowed the charity's remaining services to manage without use of agency staff when charity staff had to self-isolate. During a pandemic, non-use of agency staff was and still is a key control in keeping services free of the virus. In turn, remaining safe allowed the charity to continue to accept new referrals in some services. This contingent strategy worked well, with minimal disruption.

Of the four services that were closed: two were partially opened during the year to provide support to the people that use them, one remained closed and the other was permanently closed. Through a combination of re-deployment of staff, continued funding and Government grants there has been minimal financial impact on the Charity of temporarily closing these services during the peak of the pandemic.

The combination of prompt action to manage the impact of the pandemic on the Charity's services and receipt of funding to help meet some of the additional costs being incurred to protect the Charity's employees all contributed to the Charity returning a surplus for the year. The charity's cautious forecasts for the coming year indicate that whilst the pandemic pressures might be easing in the general population, there is likely to be a lag before referrals and occupancy levels in the Charity's nursing homes return to their pre-pandemic levels. However, at worst, the Charity maintains a healthy cash reserve and would be able to continue to pay its debts as they fall due beyond 12 months from signing this report.

The Directors having reviewed the measures implemented during the year do not consider that the pandemic has had a significant detrimental impact on the Charity; outside of the pandemic, effective infection control and keeping people safe are integral parts of the Charity's core work.

The Charity's work is the provision of essential care services commissioned by local authorities and there remains an interest and demand for the Charity's services with an increase in referrals as the Covid-19 restrictions have been eased. The Charity's excellent reputation with commissioning authorities adds further comfort. Nonetheless, the Directors expect this coming financial year to be challenging as Government support is reduced but many of the additional costs remain. They are however confident that through effective management backed up by a healthy cash reserve the Charity will manage the challenges ahead.

The Directors have reviewed and assessed the financial performance for the first quarter of 2021/2022, in which a small unrestricted operating surplus has been achieved in line with expectations and cash generated from operations of £50,000. The Directors have prepared forecast cash flow information for the period to July 2022. These forecasts also take into account plausible cash flow downside sensitivities. The Directors maintain continued confidence that the Charity's care services will continue to be in demand and therefore continue to adopt the going concern basis of accounting.

More details about the Charity's services, testimonials and information on future developments can be found on the Charity's website: www.stcuthbertscare.org.uk.

The Board of Directors approved the Strategic Report at the Annual General Meeting.

On behalf of the Board



Rt Rev Robert Byrne
Chairman

28 July 2021

Directors' report for the year ended 31 March 2021

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

Structure, governance and management
The Charity was founded in 1946 and then incorporated in England as a charitable company limited by guarantee on 23 June 1982. It is governed by Articles of Association which were last amended on 19 March 2014. Its objects are to carry out all forms of social care.

Governance and internal control
The Articles of Association allow for up to 12 directors to be appointed at any one time. The Directors are also trustees. The Board of Directors meets quarterly and has appointed a Chief Executive to manage the day-to-day activities. The Chief Executive is a director.

The Board is supported by three sub-committees:

- The Audit, Finance and Risk sub-committee oversees the finances and management of risk for the Charity. Effective risk management is embedded within the culture of St Cuthbert's Care. The managers of the Charity's services implement, review and amend risk management plans as and when required; often daily. A risk panel, comprising the Charity's key management personnel and the Director of Compliance, meets monthly to assess all risks to the Charity, both potential and actual, and implements appropriate controls.

- The Remuneration sub-committee benchmarks and reviews salaries and benefits across the Charity.

- The Nominations sub-committee considers suitable applicants to be proposed to the full Board for consideration for appointment as directors. Directors are interviewed and proposed by the Nominations sub-committee and appointed by invitation of the Bishop. The Charity aims to ensure and maintain a balance of skills and experience relevant to the work and business needs of the Charity.

Key management personnel

Chief Executive	Moira Ashman
Director of Finance & IT	Nic Gilbert
Director of Care	Amanda Head
Director of Children's Services	Jody Scott
Director of Compliance	Gill Ennis
Director of HR	Geraldine Martin

Directors
The directors of the company during the year and up to the date of signing are listed on page one. The Bishop of the Roman Catholic Diocese of Hexham & Newcastle has ex-officio status on the Board.

The Charity inducts every director upon appointment and provides training days. These are led by the Chief Executive and typically, include refresher training on trustees and directors' legal duties and responsibilities. Visits to the Charity's services will be reinstated this year and arranged for the Directors so they can meet the Charity's beneficiaries and employees. This maximises informed decision making.

Financial review
The Statement of Financial Activities for the year is set out on page 14 of the financial statements. A summary of the financial results and the work of the Charity is included in the Strategic report.

Investment policy
Under the Articles of Association, the Charity has the power to make any investment which the Directors see fit. Currently, and throughout the year, funds have been invested in short term cash deposits only. The Directors consider this to be the most appropriate course given the short term needs of the Charity.

Insurance of directors
The company had during the year ended, and continues to maintain, appropriate insurance for the Directors in respect of liabilities that may arise against them personally in connection with their duties as directors of the company and as trustees.

Pay policy for senior staff
The pay of senior staff is reviewed annually by the Directors. Part of this process includes the benchmarking of local market rates in similar organisations.

Rotation of directors
The Directors would like to thank Dr J Kelliher and Mr J Devine for their contribution to the charity during their term in office as directors.

Reserves policy
The Directors require the Charity's reserves to be sufficient to allow St Cuthbert's Care the flexibility to continue to operate and develop in accordance with the Charity's Statement of Purpose and Articles of Association. The Directors believe the general funds should reflect one month's budgeted expenditure with a maximum margin of 10%. The current level of reserves complies with this statement. The Directors review the policy on reserves on an annual basis.

In addition there is one designated fund which is maintained by the Charity and details can be found in note 17 in the financial statements.

Dividends and transfers to reserves
The surplus of incoming resources over expenditure amounted to £136,432 (2020: £74,090) and has been taken to reserves. In accordance with the company's Articles of Association no dividends are payable.

Statement of directors' responsibilities
The Directors (who are also trustees of St Cuthbert's Care for the purposes of charity law) are responsible for preparing the Directors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the charitable company's website and social media accounts. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors
In so far as the Directors are aware at the time of approving this report:

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

The Board of Directors approved the Directors' Report at the Annual General Meeting.

On behalf of the Board



Rt Rev Robert Byrne
Chairman

28 July 2021

St Cuthbert's Care

Independent auditors' report to the members of St Cuthbert's Care

Report on the audit of the financial statements

Opinion
In our opinion, St Cuthbert's Care's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Statement of financial activities (incorporating an income and expenditure statement), the Reconciliation of funds, and the cash flow statement for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
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 charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Annual Report
In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

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

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

Auditors' 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 auditors' 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.

Based on our understanding of the group and/charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with the requirements of the Care Quality Commission (CQC), the Office for Standards in Educations (Ofsted), and the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and management bias in determining accounting estimates. Audit procedures performed included:

- Testing a sample of journal entries selected on a risk basis for appropriateness and obtaining supporting evidence for the significant assumptions and judgements made by management;
- Enquiry of management and those charged with governance around potential litigation and claims; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

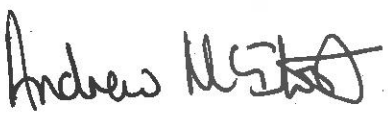
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew McIntosh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle
28 July 2021

St Cuthbert's Care

Statement of financial activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2021

	Note	Unrestricted funds	Restricted funds	2021 Total	2020 Total
		£	£	£	£
Income					
Income from charitable activities:					
Care for children		**2,191,905**	-	**2,191,905**	2,145,950
Care for people with disabilities		**2,455,899**	-	**2,455,899**	2,802,420
Care for older people		**3,455,499**	-	**3,455,499**	3,376,750
Grants receivable		**281,213**	-	**281,213**	5,105
Fostering & social work		**1,020,212**	-	**1,020,212**	903,154
Income from donations, legacies and other trading activity					
Donations		**79,124**	**85,388**	**164,512**	234,678
Legacies		**51,500**	-	**51,500**	35,473
Other trading activities		**49,327**	**127,940**	**177,267**	304,503
Investment income		**3,138**	**1,773**	**4,911**	7,570
Other income		-	-	-	-
Total income		**9,587,817**	**215,101**	**9,802,918**	9,815,603
Expenditure					
Expenditure on charitable activities	1	**9,438,407**	**197,852**	**9,636,259**	9,628,861
Expenditure on raising funds					
Donations and legacies	2	**5,074**	-	**5,074**	14,947
Other trading activities	2	**7,183**	**17,970**	**25,153**	97,705
Total expenditure		**9,450,664**	**215,822**	**9,666,486**	9,741,513
Net income for the year	6	**137,153**	**(721)**	**136,432**	74,090

All operations are continuing.

All gains and losses in the year are included in the Statement of Financial Activities. There is no difference between the reported result for the year stated above and the historical cost equivalents.

St Cuthbert's Care

Reconciliation of funds for the year ended 31 March 2021

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Fund balances at 1 April	6,356,902	526,356	6,883,258	6,809,168
Net income for the year	137,153	(721)	136,432	74,090
Fund balances at 31 March	**6,494,055**	**525,635**	**7,019,690**	6,883,258

Balance sheet as at 31 March 2021

Company registration number: 1645917

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	**5,180,414**	5,485,479
Total fixed assets		**5,180,414**	5,485,479
Current assets			
Debtors	9	**618,625**	620,830
Cash at bank and in hand		**2,465,789**	1,799,838
Total current assets		**3,084,414**	2,420,668
Creditors: amounts falling due within one year	10	**(860,925)**	(611,401)
Net current assets		**2,223,489**	1,809,267
Total assets less current liabilities		**7,403,903**	7,294,746
Creditors: amounts falling due after more than one year	11	**(300,000)**	(325,000)
Provisions for liabilities and charges	12	**(84,213)**	(86,488)
Net assets		**7,019,690**	6,883,258
The funds of the Charity			
Unrestricted funds			
General funds	17	**750,000**	750,000
Designated funds: Charity assets fund	17	**5,744,055**	5,606,902
		6,494,055	6,356,902
Restricted funds	17	**525,635**	526,356
Total funds	17	**7,019,690**	6,883,258

The financial statements on pages 14 to 30 were approved by the Board of Directors on 28 July 2021 and were signed on its behalf by:

Rt Rev Robert Byrne
Chairman

St Cuthbert's Care

Statement of Cash Flows as at 31 March 2021

	Note	2021	2020
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	14	**670,468**	**454,699**
Cash flows from investing activities			
Interest received		**4,911**	7,570
Purchase of tangible fixed assets		**(9,428)**	(72,359)
Net cash provided by investing activities		**(4,517)**	(64,789)
Cash flows from financing activities			
Net cash used in financing activities		**-**	-
Change in cash and cash equivalents in the reporting period	15	**665,951**	**389,910**
Cash and cash equivalents at the beginning of the reporting period		1,799,838	1,409,928
Cash and cash equivalents at the end of the reporting period		**2,465,789**	**1,799,838**

Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Preparation of the Financial Statements on a going concern basis
In the year ended 31 March 2021 the charity recorded a surplus for the year of £136,432 and generated cash from operating activities of £670,468 leading to a year end cash position of £2,465,789 with no borrowings.

The Covid-19 pandemic has not had a material impact on the charity during the year to 31 March 2021. The costs that had initially been incurred in relation to personal protective equipment (PPE) have reduced as the Government agreed to provided free PPE to the social care sector up to 31 March 2022. In addition the Charity has received Government grants towards other additional costs being incurred which reduced the financial impact and enabled the senior management to focus on measures to protect its employees and the people it supports.

The charity's cautious forecasts for the coming year indicate that whilst the pandemic pressures might be easing in the general population there is likely to be a lag before referrals and occupancy levels in the charity's nursing homes return to their pre-pandemic levels. However, at worst, the charity would maintain a healthy cash reserve and would be able to continue to pay its debts as they fall due beyond 12 months from signing this report.

The charity's work is the provision of essential care services commissioned by local authorities and there remains a strong interest and demand for the charity's services with an increase in referrals as the Covid-19 restrictions have been eased. The charity's excellent reputation with commissioning authorities add further comfort. Nonetheless, the Directors expect this coming financial year to be more challenging as Government support is reduced but many of the additional costs remain. They are however confident that through effective management backed up by a healthy cash reserve the Charity will manage the challenges ahead. At the time of writing financial support had been confirmed for the first six months of the year.

The Directors have reviewed and assessed the financial performance for the first quarter of 2021/2022, in which a small unrestricted operating surplus has been achieved in line with expectations and cash generated from operations of £50,000. The Directors have prepared forecast cash flow information for the period to July 2022, these forecasts also take into account plausible cash flow downside sensitivities and this along with their continued confidence that the Charity's care services will continue to be in demand and therefore continue to adopt the going concern basis of accounting.

Accounting policies (continued)

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

For legacies, entitlement is the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Donated goods and services
The value of donated goods to the Charity which are for resale are recognised in the financial statements as income when sold due to the low-value of items received.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised; details about the volunteers' contribution can be found in the Directors' report.

Resources expended
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs include expenditure which cannot be directly attributed to particular headings and have therefore been allocated to activities on the basis of employee costs. Governance costs represent the legal and professional fees of running the Charity and costs associated with preparing and holding Board meetings and are included within support costs. Resources expended include attributable VAT which cannot be recovered.

Tangible fixed assets
Fixed assets costing more than £7,500 are capitalised and included at purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected lives. The principal annual rates used for this purpose are:

	%
Freehold land	0
Furniture, equipment and plant	5 - 33
Motor vehicles	20
Assets in the course of construction	0

Freehold and long leasehold buildings are depreciated over 50 years or, if shorter, over the period of the lease.

Accounting policies (continued)

Fixed asset investments
Fixed asset investments are stated at the lower of cost or net realisable value.

Operating leases
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable are charged on straight line basis over the term of the lease.

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

Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

Financial Instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grants receivable
Grants, including those for the purchase of fixed assets, are recognised in full when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Fund accounting
General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in note 17 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Accounting policies (continued)

Pension costs
The Charity makes available a defined contribution pension scheme to employees to which it contributes. The scheme originally set up as a stakeholder pension scheme meets the automatic enrolment rules.

There is a historical unfunded pension liability and adjustments to this pension liability, referred to in note 12, are made in line with actuarial factors based on the invoiced costs from the administering authority and adjusted to include a cost of living increase. These costs are included in the SOFA.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires management to make estimates and judgements. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no estimates or judgements made during the year which had a material impact on the results reported in the financial statements.

Notes to the financial statements for the year ended 31 March 2021

1 Expenditure on charitable activities

	Direct costs £	Support costs £	2021 £	2020 £
Care for people with disabilities	2,352,989	229,564	**2,582,553**	3,085,638
Care for older people	3,972,883	365,485	**4,338,368**	3,873,936
Care for children, fostering & social work	2,527,349	187,989	**2,715,338**	2,669,287
	8,853,221	783,038	**9,636,259**	9,628,861

The decrease in expenditure on care for people with disabilities reflects the temporary closure of three services and there is a commensurate decrease in income for this client group. The increase in expenditure on care for older people mainly reflects the costs associated with the additional measures to keep the residents and employees in these services safe and which have been partially funded by the increase in grant income from Government during the year.

2 Expenditure on raising funds

	Direct costs £	Support costs £	2021 £	2020 £
Voluntary income, donations & legacies	4,540	534	**5,074**	14,947
Activities for generating funds	22,671	2,482	**25,153**	97,705
	27,211	3,016	**30,227**	112,652

3 Support costs

Support costs, including governance costs of £31,519 (2020: £22,963), not directly attributable to projects have been allocated on the basis of employee costs and are analysed below:

	Employee costs £	Depreciation £	Other costs £	Total 2021 £	Total 2020 £
Charitable activities	546,247	19,263	217,528	**783,038**	839,187
Raising funds	2,104	74	838	**3,016**	4,398
	548,351	19,337	218,366	**786,054**	843,585

4 Employee costs

	2021	2020
	£	£
Employee costs:		
Wages and salaries	**6,353,730**	6,666,815
Social security costs	**525,812**	522,616
Pension costs	**144,665**	139,860
	7,024,207	7,329,291

The pension costs were charged through the Statement of Financial Activities in respect of the defined contribution scheme operated for employees and allocated on the basis of employee costs.

The company maintains insurance for its employees in respect of their duties as employees as part of its overall insurance policy. Two employees received emoluments above £60,000. One of the employees is in the band £60,000-£70,000 and one employee is in the band £80,000-£90,000.

The key management personnel of the Charity comprise the Chief Executive, the Director of Finance & IT, the Director of Care, the Director of Compliance, Director of Children's Services & the Director of HR. The total employee benefits of the key management personnel of the Charity were £350,783 (2020: £291,165). The role of Director of Children's Services was created during the year to further strengthen the charity's management team.

The average monthly number of employees, analysed by function was:

	2021 Number	2021 Full-Time Equivalent	2020 Number	2020 Full-Time Equivalent
Charitable activities	**292**	**234**	295	244
Expenditure on raising funds	**2**	**2**	2	2
	294	**236**	297	246

5 Directors' emoluments

	2021	2020
	£	£
Aggregate emoluments and fees	**145,000**	145,000

Emoluments are paid to two directors, M Ashman and N Gilbert for their services as directors and not as trustees of the Charity. Provision for these payments is made in the company's Articles of Association. Contributions were made to the Charity's pension scheme in respect of these directors of £7,250 (2020: £7,250). Directors received no reimbursement of travel expenses in the year (2020: £Nil).

Other than as noted above, no director was entitled to nor received any remuneration for their services (2020: £Nil) or were accruing benefits under the pension schemes (2020: £Nil) or received reimbursement of their expenses (2020: £Nil).

6 Net income for the year

Net income for the year is stated after charging:	2021	2020
	£	£
Depreciation charge for the year	**224,558**	237,201
Impairment of furniture, equipment and plant	**89,935**	-
Auditors' remuneration for audit services	**26,200**	17,400
Operating lease rentals for land and buildings	**16,369**	16,386

During the year the decision was taken to permanently close 182 Wingrove Road as a children's home and a review of the net realisable value of this asset resulted in an impairment charge of £89,935 in the year relating to building modifications and plant specific to its use as a children's home.

7 Taxation

The company is a charity established under the Charities Act 2011. It is therefore exempt from taxation in respect of income and capital gains received within categories covered by S505 Income and Corporation Taxes Act 1988 or S256 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to charitable purposes only.

8 Tangible assets

	Freehold & long leasehold buildings	Furniture equipment and plant	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	6,296,922	2,490,555	73,656	8,861,133
Additions	-	9,428	-	9,428
Disposals	-	-	-	-
At 31 March 2021	**6,296,922**	**2,499,983**	**73,656**	**8,870,561**
Accumulated Depreciation				
At 1 April 2020	1,828,289	1,478,357	69,008	3,375,654
Charge for the year	155,270	67,143	2,145	224,558
Impairment	-	89,935		89,935
Eliminated in respect of disposals	-	-	-	-
At 31 March 2021	**1,983,559**	**1,635,435**	**71,153**	**3,690,147**
Net book value				
At 31 March 2021	**4,313,363**	**864,548**	**2,503**	**5,180,414**
At 31 March 2020	**4,468,632**	**1,012,199**	**4,648**	**5,485,479**

9 Debtors

	2021 £	2020 £
Trade debtors	**400,224**	401,053
Other debtors	**1,580**	865
Prepayments and accrued income	**216,821**	218,912
	618,625	620,830

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**104,384**	149,424
Other creditors	**16,803**	10,553
Taxation and social security	**156,766**	148,720
Accruals and deferred income	**582,972**	302,704
	860,925	611,401

11 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Deferred income	**300,000**	325,000
	300,000	325,000

The Directors expect the deferred income to be released to the Statement of Financial Activities over the next 13 years.

12 Provisions for liabilities and charges

Analysis of amounts charged through the statement of financial activities

	Pension provision £
At 1 April 2020	86,488
Established during the year	12,707
Utilised during the year	(14,982)
At 31 March 2021	**84,213**

The pension provision relates to the excess pensions liability for former teachers of two schools formerly managed by the Charity. The Directors continue to believe that the annual adjustment of the provision based on updated actuarial factors is the most appropriate approach at the current time. The Directors expect all liabilities to be met over the next 10 years.

The provision is anticipated to fall due as follows:

	2021 £	2020 £
In less than one year	**14,808**	18,912
Between one and two years	**15,253**	19,479
Between two and five years	**43,087**	40,729
In more than five years	**11,065**	7,368
	84,213	86,488

13 Share capital

The company does not have any share capital and is limited by guarantee. The members of the company are the Directors and their guarantee is limited to £1 each.

14 Reconciliation of net incoming resources to net cash inflow from operating activities

	2021 £	2020 £
Net income	**136,432**	74,090
Depreciation on tangible fixed assets	**224,558**	237,201
Impairment on tangible fixed assets	**89,935**	-
Deferred income	**(25,000)**	(25,000)
Decrease in provisions	**(2,275)**	(2,717)
Decrease in debtors	**2,205**	159,156
Increase in creditors	**249,524**	19,539
Interest received	**(4,911)**	(7,570)
Net cash provided by operating activities	**670,468**	454,699

15 Reconciliation of net cash flow to movement in net cash resources

	2021 £	2020 £
Change in cash and cash equivalents in the reporting period	**665,951**	389,910
Movement in net funds for the year	**665,951**	389,910
Net funds at 1 April 2020	**1,799,838**	1,409,928
Net funds at 31 March 2021	**2,465,789**	1,799,838

16 Analysis of net cash resources

	1 April 2020 £	Cash flow £	31 March 2021 £
Cash at bank and in hand	1,799,838	665,951	**2,465,789**
Net funds	1,799,838	665,951	**2,465,789**

17 Statement of funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	750,000	9,587,817	(9,450,664)	(137,153)	**750,000**
Designated funds					
Charity assets fund	5,606,902	-	-	137,153	**5,744,055**
Total unrestricted funds	6,356,902	9,587,817	(9,450,664)	-	**6,494,055**
Restricted funds:					
Total restricted funds	526,356	215,101	(215,822)	-	**525,635**
Total funds	6,883,258	9,802,918	(9,666,486)	-	**7,019,690**

The General fund represents the free funds of the Charity which are not designated for particular purposes with excess funds being transferred to the Charity assets fund.

The Charity assets fund represents those funds that have been designated by the Directors for the provision of existing services in furtherance of the Charity's objects.

The Restricted funds represent those funds raised by the Alan Shearer Foundation which have not yet been spent on charitable activities.

17 Statement of funds (continued)

Analysis of net assets between funds

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 March 2021 are represented by:				
Fixed assets	-	5,180,414	-	**5,180,414**
Current assets	525,635	897,854	1,660,925	**3,084,414**
Current liabilities	-	-	(860,925)	**(860,925)**
Long term liabilities and provisions	-	(334,213)	(50,000)	**(384,213)**
	525,635	5,744,055	750,000	**7,019,690**

18 Related party transactions

The Charity has a close working relationship with the Roman Catholic Diocese of Hexham & Newcastle, which is also a charity. The Charity invoiced £88,688 (2020: £108,923) in respect of shared costs associated with the provision of offices for both parties and social work services relating to the retired priests of the Diocese. As at 31 March 2021 £14,029 (2020: £13,762) remained outstanding and is included in debtors.