

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

## Contents

|  |    |
|--|----|
| Directors and Advisors .....   | 1  |
| Strategic report .....   | 2  |
| Directors' report.....   | 7  |
| Independent auditors' report to the members of St Cuthbert's Care .....                  | 10 |
| Statement of financial activities (incorporating an Income and Expenditure Account)..... | 13 |
| Reconciliation of funds .....  | 14 |
| Balance sheet as at 31 March 2023.....   | 15 |
| Statement of Cash Flows .....  | 16 |
| Accounting policies .....  | 17 |
| Notes to the financial statements.....   | 21 |

# **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

# St Cuthbert's Care

## 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.



# St Cuthbert's Care

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

## St Cuthbert's Care

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



## St Cuthbert's Care

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 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.

# St Cuthbert's Care

## **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.



## St Cuthbert's Care

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



# St Cuthbert's Care

## 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

# St Cuthbert's Care

## 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](http://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<br>funds<br>£ | Restricted<br>funds<br>£ | 2023<br>Total<br>£ | 2022<br>Total<br>£ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income</b>   |      |                            |                          |                    |                    |
| <i>Income from charitable activities</i>                          |      |                            |                          |                    |                    |
| 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            |
| <i>Income from donations, legacies and other trading activity</i> |      |                            |                          |                    |                    |
| 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  |      | -                          | -                        | -                  | -                  |
| <b>Total income</b>   |      | <b>10,051,982</b>          | <b>497,053</b>           | <b>10,549,035</b>  | <b>10,160,348</b>  |
| <b>Expenditure</b>  |      |                            |                          |                    |                    |
| Expenditure on charitable activities                              | 1    | 10,162,008                 | 247,666                  | 10,409,674         | 9,826,357          |
| <i>Expenditure on raising funds</i>                               |      |                            |                          |                    |                    |
| Donations and legacies  | 2    | 5,291                      | -                        | 5,291              | 4,630              |
| Other trading activities  | 2    | 5,448                      | 114,402                  | 119,850            | 117,383            |
| <b>Total expenditure</b>  |      | <b>10,172,747</b>          | <b>362,068</b>           | <b>10,534,815</b>  | <b>9,948,370</b>   |
| <b>Net (loss) / income for the year</b>                           | 6    | <b>(120,765)</b>           | <b>134,985</b>           | <b>14,220</b>      | <b>211,978</b>     |

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 2023

|                                       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| 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            |
| <b>Fund balances at 31 March 2023</b> | <b>6,428,746</b>           | <b>817,142</b>           | <b>7,245,888</b>   | <b>7,231,668</b>   |



# St Cuthbert's Care

## Balance sheet as at 31 March 2023

Company registration number: 1645917

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

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

# St Cuthbert's Care

## 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.

# St Cuthbert's Care

## 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.



# St Cuthbert's Care

## 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.

# St Cuthbert's Care

## 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.



# St Cuthbert's Care

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

### 1 Expenditure on charitable activities

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

### 2 Expenditure on raising funds

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

### 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<br>costs<br>£ | Depreciation<br>£ | Other costs<br>£ | 2023<br>£      | 2022<br>£      |
|-----------------------|------------------------|-------------------|------------------|----------------|----------------|
| Charitable activities | 545,513                | 19,586            | 295,942          | <b>861,041</b> | 827,572        |
| Raising funds         | 964                    | 35                | 523              | <b>1,522</b>   | 1,934          |
|                       | <b>546,477</b>         | <b>19,621</b>     | <b>296,465</b>   | <b>862,563</b> | <b>829,506</b> |

## 4 Employee costs

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

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<br>Number | 2023<br>Full-Time<br>Equivalent | 2022<br>Number | 2022<br>Full-Time<br>Equivalent |
|------------------------------|----------------|---------------------------------|----------------|---------------------------------|
| Charitable activities        | 266            | 215                             | 289            | 215                             |
| Expenditure on raising funds | 2              | 1                               | 2              | 2                               |
|                              | <b>268</b>     | <b>216</b>                      | <b>291</b>     | <b>217</b>                      |

# St Cuthbert's Care

## 5 Directors' emoluments

|                               | 2023           | 2022    |
|-------------------------------|----------------|---------|
|                               | £              | £       |
| Aggregate emoluments and fees | <b>155,925</b> | 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                  | <b>212,856</b> | 206,549 |
| Auditors' remuneration for audit services         | <b>36,960</b>  | 23,940  |
| Operating lease rentals for land and buildings    | <b>11,188</b>  | 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.

# St Cuthbert's Care

## 8 Tangible assets

|                                       | Freehold<br>&<br>long<br>leasehold<br>buildings | Furniture<br>equipment<br>and<br>plant | Motor<br>vehicles | Assets in<br>the course of<br>construction | Total            |
|---------------------------------------|---|--|-------------------|--|------------------|
|                                       | £   | £                                      | £                 | £  | £                |
| <b>Cost</b>                           |   |  |                   |  |                  |
| At 1 April 2022                       | 6,296,922                                       | 2,518,509                              | 73,656            | -  | 8,889,087        |
| Additions                             | -   | 103,240                                | -                 | 50,070                                     | 153,310          |
| Disposals                             | -   | -                                      | -                 | -  | -                |
| <b>At 31 March 2023</b>               | <b>6,296,922</b>                                | <b>2,621,749</b>                       | <b>73,656</b>     | <b>50,070</b>                              | <b>9,042,397</b> |
| <b>Accumulated Depreciation</b>       |   |  |                   |  |                  |
| 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<br>disposals | -   | -                                      | -                 | -  | -                |
| <b>At 31 March 2023</b>               | <b>2,178,559</b>                                | <b>1,848,131</b>                       | <b>73,656</b>     | <b>-</b>                                   | <b>4,100,346</b> |
| <b>Net book value</b>                 |   |  |                   |  |                  |
| <b>At 31 March 2023</b>               | <b>4,118,363</b>                                | <b>773,618</b>                         | <b>-</b>          | <b>50,070</b>                              | <b>4,942,051</b> |
| 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<br>£      | 2022<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 466,544        | 330,727        |
| Other debtors                  | 4,024          | 928            |
| Prepayments and accrued income | 359,175        | 284,155        |
|                                | <b>829,743</b> | <b>615,810</b> |

# St Cuthbert's Care

## 11 Creditors: amounts falling due within one year

|                              | 2023<br>£      | 2022<br>£      |
|------------------------------|----------------|----------------|
| 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        |
|                              | <b>716,045</b> | <b>651,740</b> |

## 12 Creditors: amounts falling due after more than one year

|                 | 2023<br>£      | 2022<br>£      |
|-----------------|----------------|----------------|
| Deferred income | 250,000        | 275,000        |
|                 | <b>250,000</b> | <b>275,000</b> |

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<br>provision<br>£ |
|-----------------------------|---------------------------|
| At 1 April 2022             | 73,209                    |
| Established during the year | -                         |
| Utilised during the year    | (9,886)                   |
| <b>At 31 March 2023</b>     | <b>63,323</b>             |

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.



## St Cuthbert's Care

The provision is anticipated to fall due as follows:

|                            | 2023<br>£     | 2022<br>£     |
|----------------------------|---------------|---------------|
| 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        |
|                            | <b>63,323</b> | <b>73,209</b> |

## 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<br>£     | 2022<br>£      |
|--|---------------|----------------|
| 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)          |
| <b>Net cash provided by operating activities</b> | <b>23,799</b> | <b>179,220</b> |



# St Cuthbert's Care

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

|   | 2023<br>£        | 2022<br>£        |
|---|------------------|------------------|
| 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        |
| <b>Net funds at 31 March 2023</b>                           | <b>2,503,462</b> | <b>2,614,210</b> |

## 17 Analysis of net cash resources

|                          | 1 April<br>2022<br>£ | Cash flow<br>£   | 31 March<br>2023<br>£ |
|--------------------------|----------------------|------------------|-----------------------|
| Cash at bank and in hand | 2,614,210            | (110,748)        | 2,503,462             |
| <b>Net funds</b>         | <b>2,614,210</b>     | <b>(110,748)</b> | <b>2,503,462</b>      |

## 18 Statement of funds

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

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.

# St Cuthbert's Care

## 18 Statement of funds (continued)

Analysis of net assets between funds

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

## 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.