

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

Contents

Directors and Advisors	1
Directors' report (including the strategic report)	2
Independent auditors' report to the members of St Cuthbert's Care	10
Statement of financial activities (incorporating an Income and Expenditure Account)	12
Reconciliation of funds	13
Balance sheet as at 31 March 2024	14
Statement of Cash Flows	15
Accounting policies	16
Notes to the financial statements	20

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>.

St Cuthbert's Care

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

St Cuthbert's Care

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.

St Cuthbert's Care

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.

St Cuthbert's Care

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

St Cuthbert's Care

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;

St Cuthbert's Care

- 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

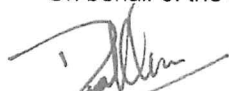
In so far as the Directors are aware at the time of approving this report:

- 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

St Cuthbert's Care

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

St Cuthbert's Care

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

St Cuthbert's Care

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.



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					
<i>Income from charitable activities</i>					
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
<i>Income from donations, legacies and other trading activity</i>					
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
<i>Expenditure on raising funds</i>					
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

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.

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.

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 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.

St Cuthbert's Care

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

St Cuthbert's Care

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

St Cuthbert's Care

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.

St Cuthbert's Care

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

St Cuthbert's Care

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.

St Cuthbert's Care

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.

St Cuthbert's Care

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

St Cuthbert's Care

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.

St Cuthbert's Care

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.