

EAST CLEVELAND MS HOME

**TRUSTEES' REPORT AND
STATEMENT OF ACCOUNTS**

YEAR ENDED 30TH JUNE 2025

**COMPANY LIMITED BY GUARANTEE
(The Company does not have a share capital)**

**REGISTERED CHARITY NUMBER 519232
COMPANY NUMBER : 2152724**

EAST CLEVELAND MS HOME

Contents	Pages
Report of the Trustees	2-6
Report of the Auditors	7-10
Statement of financial activities	11
Balance Sheet	12
Statement of cash flows	13
Notes forming part of the financial statements	14-21
Income & expenditure account –detailed analysis	22-24

**EAST CLEVELAND MS HOME
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2025**

The East Cleveland MS Home is also known as the Ann Charlton Lodge.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charities governing document, the Companies Act 2016 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1st January 2019

REFERENCE & ADMINISTRATIVE DETAILS

Charity number 519232
Company number 2152724

Registered Office:

Edenhall Grove
REDCAR
TS10 4PR

Trustees:

The trustees are directors of the Company for the purpose of Company law. The trustees serving during the year and up to the date of this report:-

Mrs A Barnes (Chair)
C V Greenley – Secretary (retired 16/4/25)
Mrs R Hewitt
L Minns - Secretary
S Dunn (appointed 2/9/2024, resigned 21/1/25)
T Bethell (appointed 05/12/24)
D Charlesworth (appointed 4/1/25)
W J Wilson (appointed 15/4/25)

Honorary Secretary:

L Minns

Bankers:

HSBC Bank PLC, 60 Albert Road, Middlesbrough, TS1 1RS.
Virgin Money plc, Jubilee House, Gosforth, NE3 4PL.

Auditors:

Graham Fitzgerald
Azets Audit Services,
Wynyard Park House,
Wynyard Avenue,
Wynyard,
TS22 5TB

Solicitors:

Cygnat Law
Portland House
West Dyke Road
REDCAR TS10 1DH

EAST CLEVELAND MS HOME

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 JUNE 2025

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The charity is a charitable company limited by guarantee and was set up 7 May 1987. It is governed by a memorandum and articles of association. Its objects are to bring relief to the sufferers of Multiple Sclerosis and other diseases of the central nervous system in Cleveland and the surrounding area.

Appointment of trustees

As set out in the Articles of Association, trustees are appointed by the Board of Trustees and every year one third of the trustees shall retire from office and may put themselves forward for re-election at the Annual General Meeting. Also, any new trustees elected during the year shall only hold office until the next following Annual General Meeting and shall then be eligible for re-election.

All members are circulated with invitations to nominate trustees prior to the AGM advising them of the retiring trustees and requesting nominations for the AGM.

The Trustees maintain an 'equal opportunity' policy whether it is age, sex, ethnicity or disability with regard to recruiting new Trustees and work to maintain a balance of experience and skills. All candidates are required to make a formal written application, giving the names of two suitable referees; they are also required to undergo an enhanced DBS check before being interviewed by a panel of Trustees who will assess the suitability of the candidate.

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The board of trustees administers the charity. The Trustees meet every month to review operations and to make any decisions required on the running of the Home. Members of the Home guarantee to contribute an amount not exceeding £1 to the assets of the Home in the event of winding up. The total number of such guarantees at 30th June 2025 was 6 (2024 – 5).

Investment Powers, Policy and Performance

The Trustees investment powers are governed by the Memorandum and Articles of Association which permits the Home's funds not immediately required for its purposes to be invested in any such investments, securities or property as may be thought fit.

The Board's policy is to invest in high interest savings accounts and low risk investments, such as investment in a portfolio of stocks and shares in blue chip companies specially tailored for charitable companies.

The Home's investments have continued to be managed in conformity with our policy and the Memorandum and Articles of Association and their performance for the year has been in line with our expectations, thanks to the expert advice of our investment advisor and the close control exercised by the management team.

EAST CLEVELAND M S HOME
REPORT OF THE TRUSTEES (CONTINUED)

Risk Review

Through the regular involvement in the management of the Home, the Trustees are aware of the risks involved in running the Home. Policies and procedures are in place to mitigate these risks. An annual budget for the year ahead is in place to guide the Trustees and is regularly reviewed. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and projects, to ensure the consistent quality of delivery for all operational aspects of the Lodge. These procedures are periodically reviewed to ensure that they still meet the needs of the Home and requirements of the regulatory body.

Re-election of Trustees

In accordance with clause 31 and 34 of the Articles of Association, the under mentioned resign as Trustees and offer themselves for re-election.

Mr T Bethel
Mr D Charlesworth

OBJECTIVES

Objectives

The trust was established for the relief of sickness in persons suffering from Multiple Sclerosis in Cleveland and the surrounding area, through the provision of a residential care home offering long and short stay accommodation, together with day care facilities. The Home now looks after not only people with multiple sclerosis but all conditions of the central nervous system and any other physical disabilities. Day care facilities are no longer available. The Trust is registered as a care home with nursing and currently looks after 24 residents and has one respite room

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives in planning its future activities.

ACHIEVEMENTS & PERFORMANCE

Achievements during the Year

The Trustees have been active in giving guidance where required on the Home's activities and business planning including inspections of the Home where every facet of the day to day running of the organisation has been scrutinised and audited.

During the year, the Trustees took the decision to appoint a CEO for a fixed term of 6 months to lend his knowledge and experience to the Board of Trustees. The CEO also put much needed systems and procedures in place and also acted as Nominated Individual. Whilst these benefits helped to achieve a more stable management, the cost has meant that there was a negative overall financially for the year.

After 28 years with the Lodge, as administrator, then Chair of the Trustees and later as company secretary, Clive Greenley retired from the Board. As a short term measure, Clive has agreed to support the Board on a financial consultancy basis.

EAST CLEVELAND M S HOME
REPORT OF THE TRUSTEES (CONTINUED)

FINANCIAL REVIEW

Results

The Trust had a net outflow of resources amounting to £26233 with reserves now standing at £263777. This compares with a net outflow of £149,072 in the previous trading year. After a very disappointing trading year the previous year, this year has shown substantial improvement. Had it not been for the large increase in the minimum wage and an increase in the rate of national insurance contributions, together with the cost of appointing a CEO, there could well have been a trading surplus. Occupancy levels were much improved during the year.

The statement of Financial Activities on page 11 shows the Home's income and how it has been spent during the year. The Trustees are very grateful for the support received through the efforts of its staff in fundraising as well as other benefactors.

Meanwhile it is essential to maintain the continuing financial support of the public to maintain our excellent level of service and continued focus is being placed on increased sponsorship and fundraising. We are due to receive a long awaited legacy of some £109000. In addition to our savings the Lodge also has funds of some £86000 lodged with Thirteen Group to cover any major repairs or refurbishment to the external buildings.

PLANS FOR FUTURE PERIODS

Future Strategy

This financial year demonstrates once again the need for caution and careful control of expenditure. Our level of reserves are much depleted but with the support of Redcar Council, if we can maintain improved occupancy levels, then we should be able to start to build up reserves again. The Trustees continue to look at ways to reduce staffing costs through restructuring and efficiency savings and to have better systems in place, including our new website, which should help to attract future clients. Further the Trustees are working hard to strengthen the Board of Trustees with a view to bring in more expertise and new ideas including increased focus on fundraising. We draw your attention to the going concern accounting policy on page 16, this sets out our current position in respect of the going concern of the organisation.

Reserves Policy - Funds

The Trustees still continue to monitor closely the investment strategy to maximise income and protect, as far as is possible, these reserves so as to guarantee the future of the Ann Charlton Lodge for the foreseeable future. Prompt action is taken to address adverse trends.

EAST CLEVELAND M S HOME
REPORT OF THE TRUSTEES (CONTINUED)

Statement of trustees Responsibilities for Preparing Accounts

The Trustees (who are also Directors of the East Cleveland MS Home for the purposes of Charity and Company law) are responsible for preparing the Trustees Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Institution and of the incoming resources and application of the same, including income and expenditure, of the Institution for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institution and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Institution and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Statement of Disclosure of Information to Auditors

- There is no relevant audit information of which the company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Azets Audit Services were re-appointed as the Home's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees and signed on their behalf by:-

Trustee: A Barnes



Dated 17th March 2026

EAST CLEVELAND MS HOME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30TH JUNE 2025

Opinion

We have audited the financial statements of East Cleveland MS Home (the charitable company) for the year ended 30th June 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30th June 2025 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 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.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements ("Going Concern"), which indicates that the company is in a position where losses are being incurred going forward and the charity is struggling to fill beds, solutions are being sought to secure the financial stability of the company including discussions with the local council. As stated in note 1, at the present time there is a material uncertainty that casts doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

EAST CLEVELAND MS HOME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30TH JUNE 2025

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept; or
- 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 trustees' report and from the requirement to prepare a strategic report.

EAST CLEVELAND MS HOME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30TH JUNE 2025

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities including fraud is detailed below:

- Enquiry of management and those charged with governance around actual potential litigation and claims.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

EAST CLEVELAND MS HOME

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST CLEVELAND MS HOME

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Graham Fitzgerald BA FCA DChA
Senior Statutory auditor
For and on behalf of
Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Date: 20/3/26

EAST CLEVELAND MS HOME

STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

YEAR ENDED 30TH JUNE 2025

	Note	Restricted Funds 2025 £	Unrestricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
INCOME AND RECEIPT OF ENDOWMENT					
<i>Income from Donations and Legacies:</i>					
Donations and Gifts		-	21027	21027	20063
Grants Receivable		-	-	-	-
<i>Income from charitable activities:</i>					
Fees for residential care		-	1760504	1760504	1540463
<i>Income from other Trading Activities:</i>					
Fundraising and other income		-	2982	2982	3164
<i>Investment income:</i>					
Bank interest receivable	3	-	416	416	4498
TOTAL INCOME		-	1784929	1784929	1568188
EXPENDITURE					
<i>Charitable activities:</i>					
Direct Residential and day care costs		-	1791852	1791852	1697070
Other Costs		-	19310	19310	20190
Total Expenditure	4	-	1811162	1811162	1717260
Net outgoing/incoming resources		-	(26233)	(26233)	(149072)
Transfer between funds		-	-	-	-
Net movement in Funds		-	(26233)	(26233)	(149072)
Fund balances brought forward at 1st July 2024		-	290010	290010	439082
Fund balances carried forward at 30th June 2025		-	263777	263777	290010

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.
The notes on pages 14 to 21 form part of these accounts.

EAST CLEVELAND MS HOME

BALANCE SHEET

AS AT 30TH JUNE 2025

	Note	£	2025 £	£	2024 £
FIXED ASSETS					
Tangible fixed assets	9		97507		103027
CURRENT ASSETS					
Stocks	10	1400		1400	
Debtors	11	142912		132947	
Cash at bank and in hand	12	210683		192049	
			354995		326396
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(188725)		(139413)	
NET CURRENT ASSETS			166270		186983
NET ASSETS			263777		290010
FUNDS					
Restricted	15		-		-
Unrestricted	16		263777		290010
			263777		290010

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 21 were approved and authorised for issue by the trustees on and signed on their behalf by:

A Barnes



L Minns



TRUSTEES

Dated 17th March 2026

The notes on pages 14 to 21 form part of these accounts.

**EAST CLEVELAND MS HOME
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2025**

	Note	2025 £	2024 £
Net cash flow from operating activities	20	<u>32360</u>	<u>(127904)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(14142)	(39114)
Receipts from sale tangible fixed assets		-	-
Interest received		416	4498
Net cash flow from investing activities		<u>(13726)</u>	<u>(34616)</u>
Net increase/(decrease) in cash and cash equivalents		18634	(162520)
Cash and cash equivalents at 1 st July 2024		<u>192049</u>	<u>354569</u>
Cash and cash equivalents at 30 th June 2025		<u>210683</u>	<u>192049</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>210683</u>	<u>354569</u>

**EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

1. ACCOUNTING POLICIES

Charity Information

East Cleveland MS Home is a private company limited by guarantee incorporated in England and Wales. The registered office is Edenhall Grove, Redcar, TS10 4PR. The charity constitutes a public benefit entity as defined by FRS102.

Accounting convention

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS102 and UK Generally Accepted Accounting Practice effective 1st January 2019.

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Charitable Funds

Unrestricted funds are available for use at the discretion of the trustees in the furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the accounts.

Incoming Resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require the deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales-related taxes.

The charity occupies its main premises under a long-term operating lease paying a service charge as rent of £15000 per annum. The trustees consider the market rental value of the property to be significantly higher; however, the value of the concession cannot be measured reliably without incurring disproportionate costs or effort. In accordance with the Charities SORP, no donation-in-kind has been recognised. The nature of the concession is disclosed for transparency.

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

1. ACCOUNTING POLICIES (Continued)

Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Conservatory & Staff Room Annexe	25 years
Gifted Assets	10 years
Fixtures, Fittings & Equipment	10 years
Motor Vehicle	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the net income for the year.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to the recoverable amount immediately in income/expenditure for the year, unless the relevant asset is carried in at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Recognised impairment losses are reversed if and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

Investments

Investments are recognised initially at fair value which is normally the transaction value excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in "net gains / (losses) on investments" in the SOFA as the shares are publically traded and their fair value can be measured reliably.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

1. ACCOUNTING POLICIES (Continued)

Basic Financial Assets

Basic financial assets which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carries at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

Basic Financial Liabilities

Basic Financial Liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised. Debt instruments are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee Benefits

When employees have rendered service to the charity, short term benefits to which the employees are Entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are charged as they become payable.

Going Concern

The financial statements have been prepared on a going concern basis, however we are currently in a loss making position and there are some uncertainties around the level of future levels of income and expenditure. Management and trustees are actively engaged in strategies to maximise revenues and minimise costs to secure the medium to long term future of the organization including discussions with local councils who are offering to fill beds and offer additional funding, however until discussions and negotiations are concluded and key decisions taken, there remains some uncertainty as to our financial stability.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the provision effects both current and future periods.

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

3. INVESTMENT INCOME

	2025 Total £	2024 Total £
Interest receivable	416	4498
	<u>416</u>	<u>4498</u>

4. TOTAL RESOURCES EXPENDED

	Basis of allocation	Charitable activities £	Other costs £	2025 £	2024 £
Staff Costs	Staff time	1444117	-	1444117	1374968
Rent & Rates	Direct	33847	-	33847	17322
Vehicle Expenses	Direct	4075	-	4075	4881
Insurance/Licence	Direct	22843	-	22843	19415
Catering	Direct	51808	-	51808	50582
Maintenance	Direct	43960	-	43960	42958
Medical Supplies	Direct	34883	-	34883	29051
Energy	Direct	53097	-	53097	56146
Administration	Direct	30085	-	30085	31334
Audit/Accountancy	Direct	-	19310	19310	20190
Subscriptions	Direct	39653	-	39653	33572
Depreciation (including Loss on Disposal)	Direct	19662	-	19662	19972
Bad Debts	Direct	(499)	-	(499)	6860
Registration Fees	Direct	3268	-	3268	3371
Bank Charges	Direct	158	-	158	136
Miscellaneous	Direct	10895	-	10895	6502
TOTAL RESOURCES EXPENDED		<u>1791852</u>	<u>19310</u>	<u>1811162</u>	<u>1717260</u>

Of expenditure of £1811162 (2024:£1717260) £1811162 (2024:£1717260) related to unrestricted funds and £NIL (2024: £NIL) related to restricted funds.

5. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2025 £	2024 £
Depreciation/loss on disposal of assets	19662	19972
Auditors remuneration	10410	11578
Other Accountancy fees	<u>8900</u>	<u>8612</u>

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

6. TRUSTEES REMUNERATION, EXPENSES AND TRANSACTIONS

The trustees and key management neither received nor waived any emoluments during the year (2024: £ nil). There were no trustee/key management expenses paid (2024: £ nil). No transactions with trustees, key staff or connected parties took place during the year (2024: £nil).

The Home is covered under its general insurance policy for any actions of its trustees.

7. STAFF COSTS

Staff costs were as follows:-

	2025	2024
	£	£
Wages, Salaries, Agency and Training	1338085	1292184
Social Security Costs	87088	66425
Pension Costs	18944	16359
	<u>1444117</u>	<u>1374968</u>

No employee received emoluments of more than £60,000.

The average number of persons employed during the year, analysed by

	Fulltime Equivalent	
	2025	2024
Management and Administration	5	4
Catering	4	4
Domestic and Laundry	6	6
Nursing and Clinical Lead	8	8
Care Staff	19	19
Drivers/Gardner's/Handyman	2	3
	<u>44</u>	<u>44</u>

8. TAXATION

The trust is a registered charity and as such is exempt from Income Tax, Corporation Tax or Capital Gains Tax on its charitable activities.

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

9. TANGIBLE ASSETS

	Staff Room Annexe £	Conservatory £	Fixtures, & Fittings Equipment £	Motor Vehicle £	Gifted Assets £	Total £
COST						
At 1 st July 2024	26856	43069	435182	16244	7260	528611
Additions	-	-	14142	-	-	14142
Disposal	-	-	(21820)	-	-	(21820)
At 30 th June 2025	<u>26856</u>	<u>43069</u>	<u>427504</u>	<u>16244</u>	<u>7260</u>	<u>520933</u>
DEPRECIATION						
At 1 st July 2024	26856	43069	334745	13654	7260	425584
Disposal	-	-	(19751)	-	-	(19751)
Charge for the year	-	-	16945	648	-	17593
At 30 th June 2025	<u>26856</u>	<u>43069</u>	<u>331939</u>	<u>14302</u>	<u>7260</u>	<u>423426</u>
NET BOOK VALUE						
At 30 th June 2025	<u>-</u>	<u>-</u>	<u>95565</u>	<u>1942</u>	<u>-</u>	<u>97507</u>
At 30 th June 2024	<u>-</u>	<u>-</u>	<u>100437</u>	<u>2590</u>	<u>-</u>	<u>103027</u>

10. STOCKS

	2025 £	2024 £
Catering stocks	<u>1400</u>	<u>1400</u>

11. DEBTORS

	2025 £	2024 £
Trade Debtors	116799	101614
Prepayments and Accrued Income	26113	28782
Other Debtors	-	2551
	<u>142912</u>	<u>132947</u>

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

12. BANK AND CASH	2025	2024
	£	£
Current Account	158169	188770
Virgin Money	51086	1086
Cash in Hand	1428	2193
	<u>210683</u>	<u>192049</u>

13. CREDITORS	2025	2024
	£	£
Amounts falling due within one year		
Trade Creditors	75559	39774
Accruals and Other Creditors	101731	95964
Other Creditors – Staff Christmas Club	11435	3675
	<u>188725</u>	<u>139413</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2025	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible Fixed Assets	97507	-	97507
Net Current Assets	166270		166270
	<u>263777</u>	<u>-</u>	<u>263777</u>

2024	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible Fixed Assets	103027	-	103027
Net Current Assets	186983	-	186983
	<u>290010</u>	<u>-</u>	<u>290010</u>

15. RESTRICTED FUNDS	2025	2024
	£	£
At beginning of Year	-	-
Incoming Resources	-	-
Resources expended	-	-
Transfer between funds	-	-
	<u>-</u>	<u>-</u>

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025

16. UNRESTRICTED FUNDS

	2025	2024
	£	£
At beginning of Year	290010	439082
Incoming Resources	1784929	1568188
Resources expended	(1811162)	(1717260)
	<u>263777</u>	<u>290010</u>

17. TRUSTEE CONTRIBUTION

Every Member of the Trust undertakes to contribute to the assets of the Trust in the event of its being wound up, while he or she is a member, or within one year after he or she ceased to be a member, for payments of the debts and liabilities of the Trust contracted before he or she ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment or the rights of the contributories among themselves, such amount as may be required not exceeding one pound.
There are 5 members.

18. OPERATING LEASE COMMITMENTS

Lessee

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows and relate to the building occupied by the Home for its principal activities and equipment for its operations.

	Land And Buildings		Equipment	
	2025	2024	2025	2024
	£	£	£	£
Amounts due within 1 Year	15000	15000	475	-
Amounts due 2-5 Years	60000	60000	1429	-
Amounts due after more than 5 years	97500	112500	-	-
	<u>172500</u>	<u>187500</u>	<u>1904</u>	<u>-</u>

19. RELATED PARTY TRANSACTIONS

There were no transactions with related parties in the period that require disclosure under FRS102.

20. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net income/expenditure for the year	(26233)	(149072)
Interest Received	(416)	(4498)
Depreciation and impairment of tangible fixed assets	19662	19972
(Increase in stock)	-	(100)
(Increase) Decrease in debtors	(9965)	4773
Increase in creditors	49312	1021
Net cash flow from operating activities	<u>32360</u>	<u>(127904)</u>

EAST CLEVELAND MS HOME
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30TH JUNE 2025

	2025	2024
	£	£
INCOME		
Residents' Fees	1760504	1540463
TOTAL INCOME	<u>1760504</u>	<u>1540463</u>
DIRECT EXPENSES		
Salaries, Wages & Oncosts	1435021	1366966
Bad Debts	(499)	6860
Staff Training	6047	6236
Catering Supplies	51808	50582
Staff Social Fund- Vouchers	3049	1766
TOTAL DIRECT EXPENSES	<u>1495426</u>	<u>1432410</u>
GROSS SURPLUS	<u>265078</u>	<u>108053</u>
OVERHEADS		
RENT AND RATES		
Rent	15000	11253
Water Rates	9229	4377
General Rates	1934	1693
	<u>26163</u>	<u>17323</u>
FEES AND INSURANCE		
Audit and Accountancy Fees	19310	20190
Subscriptions, Professional and Consultancy	39653	33572
Bank Charges	158	136
Insurance	22552	19094
Registration Fees	3268	3371
TV Licences	291	321
	<u>85232</u>	<u>76684</u>
VEHICLE EXPENSES		
Fuel and Oil	1596	1955
Repair	797	1099
Tax and Insurance	1012	1135
Miscellaneous and Travel	671	692
	<u>4076</u>	<u>4881</u>

EAST CLEVELAND MS HOME
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30TH JUNE 2025

	2025	2024
	£	£
CLEANING AND MEDICAL SUPPLIES		
Laundry Supplies	5877	4986
Cleaning Materials	7677	8879
Medical Consumables	21329	15186
	<u>34883</u>	<u>29051</u>
MAINTENANCE		
Property & Equipment Repairs	43960	34691
Office Equipment Repair	11365	11051
Refuse Collection	7683	8267
	<u>63008</u>	<u>54009</u>
ENERGY		
Electricity & Gas	53097	56146
	<u>53097</u>	<u>56146</u>
ADMINISTRATION		
Telephone and Internet	14448	13624
Advertising	66	2078
Stationery	3244	3705
Postage	120	96
Equipment Rental	842	779
	<u>18720</u>	<u>20282</u>
MISCELLANEOUS		
Miscellaneous/Newspapers	7721	3398
Staff Uniforms	2716	1562
Towels and Bedding	201	1121
Aquarium Maintenance and supplies	257	421
	<u>10895</u>	<u>6502</u>

EAST CLEVELAND MS HOME
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30TH JUNE 2025

	2025	2024
	£	£
OTHER EXPENSES		
Depreciation/Loss on Sale	19662	19972
	<u>19662</u>	<u>19972</u>
TOTAL OVERHEADS	<u>315736</u>	<u>284850</u>
TRADING SURPLUS/DEFICIT	<u>(50658)</u>	<u>(176797)</u>
OTHER INCOME		
Catering Income	2982	3164
Donations Received	21027	20063
Bank Interest Received	416	4498
	<u>24425</u>	<u>25725</u>
NET (DEFICIT)	<u>(26233)</u>	<u>(149072)</u>