

EAST CLEVELAND MS HOME

**TRUSTEES' REPORT AND
STATEMENT OF ACCOUNTS**

YEAR ENDED 30TH JUNE 2021

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

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

EAST CLEVELAND MS HOME

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**EAST CLEVELAND MS HOME
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021**

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:-

P W Wilson - Chairman
C V Greenley – Secretary
Mrs R Hewitt
M Thompson
C Johnston (appointed 21/9/21)
P Sotheran (appointed 23/3/21)
R Fox (appointed 25/5/21)
L Minns (appointed 28/9/21)
Mrs Deborah Dobbing (resigned 12/10/21)

Honorary Secretary: C V Greenley

Bankers: HSBC Bank PLC, 2 West Dyke Road, Redcar, TS10 1EA.
Virgin Money plc, Jubilee House, Gosforth, NE3 4PL.

Auditors: Graham Fitzgerald
Azets Audit Services,
New Garth House,
Upper Garth Gardens
Guisborough TS14 6HA

Solicitors: Cygnet Law
Portland House
West Dyke Road
REDCAR TS10 1DH

EAST CLEVELAND MS HOME
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2021

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 CRB 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 2021 was 6 (2020 – 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 C V Greenley
Mr M Thompson

OBJECTIVES

Objectives

The Trust was established for the relief of sickness of 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 Trust is registered as a care home with nursing and currently looks after 23 residents and up to 2 respite clients at any one time.

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 monthly inspections of the Home where every facet of the day to day running of the organisation is scrutinised. Unfortunately, due to Covid restrictions, monthly inspections were not always possible.

The year has been dominated by the Covid19 pandemic which has severely impacted on the quality of life of the residents who for most of the year have not been able to receive visitors. The pandemic has also created much pressure on the staff working to strict Covid regulations whilst having to wear PPE at all times in all conditions. To the great credit of the Manager and staff, none of the residents contracted Covid19 during the year.

Because of Covid19, there has been little opportunity for any social activities or other initiatives during the year. However, work did commence on a new roof from our landlords, Thirteen. Our lease expires at the end of 2021, and negotiations have been ongoing but this should result in a much lower rent.

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

FINANCIAL REVIEW

Results

The trust had a net outflow of resources amounting to £77,363 with reserves now standing at £418,028. This compares with a net outflow of £260,008 in the previous trading year. After successfully coming out of the SCP in the previous year which severely impacted on the Home's reserves, thoughts of making a financial recovery were dashed by the arrival of Covid19. This not only incurred extra costs, including staff costs, but also meant that we were unable to admit new residents during the year, thus reducing our fee income. Fortunately, we received a number of grants from the local councils to ameliorate the effect of Covid19 on our additional costs and were also assisted by the government's furlough scheme.

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 the staff entertainments committee which incorporates erstwhile members of the Friends, as well as other benefactors who have generously supported our work.

After four poor trading years, the Lodge's finances have come under increasing strain. The Lodge needs at least 90% occupancy to break even and voids will continue to be a problem whilst the Covid pandemic persists. During the year occupancy levels were often as little as 80% and whilst there was additional support from Redcar Council for low rates of occupancy, this only kicked in at 70%. In February 2021 we commenced negotiations with Redcar Council for improved funding but agreement was not reached until November 2021. An increase of 8.5% was agreed, backdated to 1 April 2021 which should help improve our position going forward. Meanwhile, It is essential to maintain the continuing financial support of the public to maintain our excellent level of service and more focus is being placed on increased sponsorship and fundraising. In addition to our savings the Lodge also has adequate funds 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 increased funding having been agreed with Redcar Council, if we can improve 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 a new website, 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

Whilst the Lodge continues to see a decline in its level of reserves, the Trustees 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:-

Chairman: P W Wilson

Dated

29/6/2022

EAST CLEVELAND MS HOME

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST CLEVELAND MS HOME FOR THE YEAR ENDED 30TH JUNE 2021

Opinion

We have audited the financial statements of East Cleveland MS Home (the charitable company) for the year ended 30th June 2021 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).

Material Uncertainty in respect of Debtors and Income

- we have been unable to obtain sufficient evidence that debtors and therefore income have not been materially misstated

In our opinion the financial statements:

- Other than the above give a true and fair view of the state of the charitable company's affairs as at 30th June 2021 and of its incoming resources and application of resources including its income and expenditure for the year then ended other than we have been unable to obtain sufficient evidence that debtors and therefore income have not been materially misstated
- 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 and solutions are being sought to secure the financial stability of the company. 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 2021

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 2021

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.

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.
- 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.

EAST CLEVELAND MS HOME

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

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
New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA

Date: *29 June 2022*

EAST CLEVELAND MS HOME

STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)

YEAR ENDED 30TH JUNE 2021

	Note	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND RECEIPT OF ENDOWMENT					
<i>Income from Donations and Legacies:</i>					
Donations and Gifts		2937	2473	5410	12563
Grants Receivable		61441	4795	66236	40484
<i>Income from charitable activities:</i>					
Fees for residential care		-	1231033	1231033	1154458
<i>Income from other Trading Activities:</i>					
Catering and Other Income		-	-	-	693
<i>Investment income:</i>					
Dividends receivable	3	-	-	-	1100
Bank interest receivable	3	-	216	216	2149
TOTAL INCOME		<u>64378</u>	<u>1238517</u>	<u>1302895</u>	<u>1211447</u>
EXPENDITURE					
<i>Charitable activities:</i>					
Direct Residential and day care costs		61441	1301111	1362552	1460886
Other Costs		-	17706	17706	11400
Total Expenditure	4	<u>61441</u>	<u>1318817</u>	<u>1380258</u>	<u>1472286</u>
Net outgoing/incoming resources		2937	(80300)	(77363)	(260839)
Net gains (losses) on investments		-	-	-	831
Transfer between funds		(2937)	2937	-	-
Net movement in Funds		-	(77363)	(77363)	(260008)
Fund balances brought forward at 1st July 2020		-	495391	495391	755399
Fund balances carried forward at 30th June 2021		-	418028	418028	495391

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 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible fixed assets	9		91036		97740
Investments	10		-		-
			<u>91036</u>		<u>97740</u>
CURRENT ASSETS					
Stocks	11	975		1023	
Debtors	12	161744		178738	
Cash at bank and in hand	13	280724		297956	
			<u>443443</u>	<u>477717</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(116451)		(80066)	
NET CURRENT ASSETS			<u>326992</u>	<u>397651</u>	
NET ASSETS			<u><u>418028</u></u>	<u><u>495391</u></u>	
FUNDS					
Restricted	15		-		-
Unrestricted	16		<u>418028</u>	<u>495391</u>	
			<u><u>418028</u></u>	<u><u>495391</u></u>	

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:

P W Wilson

C V Greenley

TRUSTEES

Dated 29/6/2022

The notes on pages 13 to 21 form part of these accounts.

COMPANY NUMBER 2152724

**EAST CLEVELAND MS HOME
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2021**

	Note	2021 £	2020 £
Net cash flow from operating activities	20	<u>(101)</u>	<u>(234349)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(17347)	(22020)
Receipts from sale of investments		-	135188
Interest received		216	2149
Dividends received		<u>-</u>	<u>1100</u>
Net cash flow from investing activities		<u>(17131)</u>	<u>116417</u>
Net increase/(decrease) in cash and cash equivalents		(17232)	(117932)
Cash and cash equivalents at 1 st July 2020		<u>297956</u>	<u>415888</u>
Cash and cash equivalents at 30 th June 2021		<u>280724</u>	<u>297956</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>280724</u>	<u>297956</u>

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

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.

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

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 pre tax 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 2021

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 carried 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 organisation, 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 2021

3. INVESTMENT INCOME

	2021	2020
	Total	Total
	£	£
Investment Income	-	1100
Interest receivable	216	2149
	<u>216</u>	<u>3249</u>

4. TOTAL RESOURCES EXPENDED

	Basis of allocation	Charitable activities	Other costs	2021	2020
		£	£	£	£
Staff Costs	Staff time	1070257	-	1070257	1146413
Rent & Rates	Direct	24656	-	24656	54535
Vehicle Expenses	Direct	6784	-	6784	6645
Insurance/Licence	Direct	9432	-	9432	9876
Catering	Direct	35081	-	35081	35514
Maintenance	Direct	50548	-	50548	50071
Medical Supplies	Direct	47097	-	47097	43856
Energy	Direct	23254	-	23254	38602
Administration	Direct	22125	-	22125	26527
Audit/Accountancy	Direct	-	17706	17706	11400
Subscriptions	Direct	11502	-	11502	9988
Depreciation (including Loss on Disposal)	Direct	24051	-	24051	25543
Bad Debts	Direct	25845	-	25845	-
Registration Fees	Direct	3268	-	3268	3310
Bank Charges	Direct	206	-	206	247
Miscellaneous	Direct	8446	-	8446	9759
TOTAL RESOURCES EXPENDED		<u>1362552</u>	<u>17706</u>	<u>1380258</u>	<u>1472286</u>

Of expenditure of £1380258 (2020:£1472286) £1318817 (2020:£1460253) related to unrestricted and £61441 (2020: £12033) related to restricted funds.

5. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2021	2020
	£	£
Depreciation/loss on disposal of assets	24051	25543
Auditors remuneration	5496	3810
Other Accountancy fees	<u>12210</u>	<u>7590</u>

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

6. TRUSTEES REMUNERATION, EXPENSES AND TRANSACTIONS

The trustees neither received nor waived any emoluments during the year (2020: £ nil). There were no trustee expenses paid (2020: £ nil). No transactions with trustees or connected parties took place during the year (2020: £nil).

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

7. STAFF COSTS

Staff costs were as follows:-

	2021	2020
	£	£
Wages, Salaries, Agency and Training	999044	1086990
Social Security Costs	56666	49005
Pension Costs	14547	10418
	<u>1070257</u>	<u>1146413</u>

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

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

	Fulltime Equivalents	
	2021	2020
Management and Administration	2.5	2.5
Catering	3.5	3.5
Domestic and Laundry	4	4
Nursing and Clinical Lead	8	8
Care Staff	20	20
Drivers	1	1
Gardner/Handyman	1.5	1.5
	<u>40.5</u>	<u>40.5</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 2021

9. TANGIBLE ASSETS

	Staff Room Annexe £	Conservatory £	Fixtures, & Fittings Equipment £	Motor Vehicle £	Gifted Assets £	Total £
COST						
At 1 st July 2020	26856	43069	520462	44139	7260	641786
Additions	-	-	17347	-	-	17347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 th June 2021	26856	43069	537809	44139	7260	659133
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION						
At 1 st July 2020	24702	41352	436045	34687	7260	544046
Charge for the year	1074	1717	18897	2363	-	24051
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 th June 2021	25776	43069	454942	37050	7260	568097
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE						
At 30 th June 2021	1080	-	82867	7089	-	91036
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 th June 2020	2154	1717	84417	9452	-	97740
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

10. INVESTMENTS

	2021 £	2020 £
Black Rock Investment - Listed		
As at 1 st July 2020	-	134357
Net funds investments funds gains/(losses)	-	831
Disposal	-	(135188)
	<hr/>	<hr/>
Market value 30th June 2021	-	-
	<hr/>	<hr/>
Historical cost as at 30 th June 2021	-	-
	<hr/>	<hr/>

11. STOCKS

	2021 £	2020 £
Catering stocks	975	1023
	<hr/>	<hr/>

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

12. DEBTORS	2021	2020
	£	£
Trade Debtors	100331	153012
Prepayments	50872	14026
Accrued Income - Fees	-	-
Other Debtors	10541	11700
	<u>161744</u>	<u>178738</u>
13. BANK AND CASH	2021	2020
	£	£
Current Account	109009	111425
Virgin Money	85935	185935
CAF (Shawbrook)	85000	-
Cambridge & Counties	-	-
Cash in Hand	780	596
	<u>280724</u>	<u>297956</u>
14. CREDITORS	2021	2020
	£	£
Amounts falling due within one year		
Trade Creditors	35155	21355
Accruals and Other Creditors	73211	53396
Other Creditors – Staff Christmas Club	8085	5315
	<u>116451</u>	<u>80066</u>
15. ANALYSIS OF NET ASSETS BETWEEN FUNDS		

2020	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible Fixed Assets	97740	-	97740
Net Current Assets	397651	-	397651
	<u>495391</u>	<u>-</u>	<u>495391</u>

2021	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Tangible Fixed Assets	91036	-	91036
Net Current Assets	326992	-	326992
	<u>418028</u>	<u>-</u>	<u>418028</u>

EAST CLEVELAND MS HOME
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021

16. RESTRICTED FUNDS

	2021	2020
	£	£
At beginning of Year	-	-
Incoming Resources	64378	12033
Resources expended	(61441)	(12033)
Transfer between funds	(2937)	-
	<u>-</u>	<u>-</u>

Purpose of Restricted Funds

The restricted funds relate to grants received from Redcar and Cleveland Borough Council of £61441 in respect of Infection control and Rapid testing support. There were also restricted donations of £2937 specifically for the purpose of purchasing Macerators for the charity. These funds had all been expended by the year end.

17. UNRESTRICTED FUNDS

	2021	2020
	£	£
At beginning of Year	495391	755399
Incoming Resources	1238517	1200245
Resources expended	(1318817)	(1460253)
Transfer between funds	2937	-
	<u>418028</u>	<u>495391</u>

18. 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 7 members.

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

	2021	2020
	£	£
Net expenditure/income for the year	(77363)	(260008)
Dividends Received	-	(1100)
Interest Received	(216)	(2149)
Depreciation and impairment of tangible fixed assets	24051	25543
Gain on disposal on Investments	-	(831)
Decrease/(Increase)/ in stock	48	177
Decrease (Increase) in debtors	16994	(1736)
Increase in creditors	36385	5755
Net cash flow from operating activities	<u>(101)</u>	<u>(234349)</u>

EAST CLEVELAND MS HOME
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30TH JUNE 2021

INCOME	2021 £	2020 £
Residents' Fees	1231033	1154458
Grants	66236	40484
Catering Income	-	693
TOTAL INCOME	1297269	1195635
DIRECT EXPENSES		
Salaries, Wages & Oncosts	1059287	1131251
Bad Debts	25845	-
Staff Training	9505	14022
Catering Supplies	35081	35514
Staff Social Fund- Vouchers	1465	1140
TOTAL DIRECT EXPENSES	1131183	1181927
GROSS SURPLUS	166086	13708
OVERHEADS		
RENT AND RATES		
Rent	19091	51135
Water Rates	3830	1797
General Rates	1735	1603
	24656	54535
FEES AND INSURANCE		
Audit and Accountancy Fees	17706	11400
Subscriptions	11502	9988
Bank Charges	206	247
Insurance	9144	9529
Registration Fees	3268	3310
TV Licences	288	347
	42114	34821
VEHICLE EXPENSES		
Fuel and Oil	1558	1880
Repair	2082	1196
Tax and Insurance	2296	2190
Miscellaneous and Travel	848	1379
	6784	6645

EAST CLEVELAND MS HOME
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30TH JUNE 2021

	2021	2020
	£	£
CLEANING AND MEDICAL SUPPLIES		
Laundry Supplies	7513	5576
Cleaning Materials	5387	9089
Medical Consumables	34197	29191
	<u>47097</u>	<u>43856</u>
MAINTENANCE		
Property & Equipment Repairs	39361	39169
Office Equipment Repair	5593	9961
Refuse Collection	11186	10902
	<u>56140</u>	<u>60032</u>
ENERGY		
Electricity & Gas	23254	38602
	<u>23254</u>	<u>38602</u>
ADMINISTRATION		
Telephone and Internet	10387	10234
Advertising	874	1405
Stationery	4380	4005
Postage	95	125
Publications	-	-
Equipment Rental	797	797
	<u>16533</u>	<u>16566</u>
MISCELLANEOUS		
Teaching Class Supplies	-	-
Miscellaneous/Newspapers	4534	4172
Staff Uniforms	2594	2894
Towels and Bedding	1152	1041
Resident Spending	-	1530
Aquarium Maintenance and supplies	166	122
	<u>8446</u>	<u>9759</u>

EAST CLEVELAND MS HOME
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30TH JUNE 2021

	2021 £	2020 £
OTHER EXPENSES		
Depreciation/Loss on Sale	24051	25543
	<u>24051</u>	<u>25543</u>
TOTAL OVERHEADS	<u>249075</u>	<u>290359</u>
TRADING DEFICIT	<u>(82989)</u>	<u>(276651)</u>
OTHER INCOME		
Dividends Received	-	1100
Donations Received	5410	12563
Bank Interest Received	216	2149
	<u>(77363)</u>	<u>(260839)</u>
Gain/Loss on investments	<u>-</u>	<u>831</u>
NET DEFICIT	<u>(77363)</u>	<u>(260008)</u>