

PILGRIMS' FRIEND SOCIETY

England & Wales · Charity number 1045920

Details

Other names	PILGRIM HAVENS, THE ERNEST LUFF HOMES
Status	Registered
Legal form	Charitable company
Company number	03027071
Registered	1995-05-16
Register	View on the Charity Commission register

Contact

Address	Pilgrims Friend Society 175 Tower Bridge Road London SE1 2AJ
Phone	03003031405
Email	info@pilgrimsfriend.org.uk
Website	www.pilgrimsfriend.org.uk

Activities

Objects: For the public benefit, (i) to advance the Christian Faith as set out in the Doctrinal Basis and (ii) to relieve elderly, poor, sick, disabled, or infirm persons, and for those purposes, among other activities, to provide residential accommodation for such persons administered to the glory of God

Activities: The charity's object is to advance the Christian Faith as set out in the Doctrinal Basis and to relieve elderly, poor, sick, disabled, or infirm persons, and for those purposes, among other activities, to provide residential accommodation for such persons administered to the glory of God. Across our group of charities, we operate 12 residential care homes and 9 housing schemes for older people.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities
- **Who:** Elderly/old People, People With Disabilities

Geography

- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£20,978,000	£20,613,000	£17,299,000	611
2024-03-31	£20,746,000	£19,122,000	£16,938,000	627
2023-03-31	£24,130,000	£17,051,000	£15,236,000	571
2022-03-31	£13,026,000	£13,416,000	£8,157,000	482
2021-03-31	£13,631,000	£13,028,000	£8,547,000	474

Trustees

Name	Role	Appointed
ALAN RICHARD COPEMAN		2016-09-06
Frances Barker		2026-02-05
Genefer Denise Espejo		2016-09-06
Sheila Margaret Warnes		2022-06-09
Tilly Wood		2026-02-05

Accounts

PILGRIMS' FRIEND SOCIETY

Financial Statements

For the year ended 31 March 2025

COMPANY NUMBER 3027071

CHARITY NUMBER 1045920

PILGRIMS' FRIEND SOCIETY

Contents of the financial statements For the year ended 31 March 2025

Page

1	Trustees' report – statutory information
2 - 11	Trustees' report
12 - 15	Independent auditor's report
16	Statement of financial activities
17	Balance sheet
18	Statement of cash flows
19 - 35	Notes to the financial statements

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2025

DIRECTORS AND TRUSTEES

Alan Copeman
Genefer Espejo
Sheila Warnes

COMPANY SECRETARY

Julian Hillman

REGISTERED OFFICE

175 Tower Bridge Road
London
SE1 2AL

COMPANY NUMBER 3027071
CHARITY NUMBER 1045920

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AUDITORS

Xeinadin Audit Limited
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the charity were the Trustees and the members of Senior Management Team whose names and responsibilities are listed below:

Stephen Hammersley	<i>Chief Executive Officer</i>
Maureen Sim	<i>Director of Operations</i>
Julian Hillman	<i>Director of Finance</i>
Hugh Lambourne	<i>Director of Property Services</i>
Joshua Field	<i>Director of Human Resources</i>
Alexandra Davis	<i>Director of Marketing</i>

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

The trustees present their report, together with the financial statements of the company for the year ended 31 March 2025. The trustees' report incorporates the directors' report and the strategic report prepared for the purposes of company law.

MESSAGE FROM THE CEO

There is a lot of detail in our numbers, but as in previous years this must not cloud the fact that in an immensely challenging environment, Praise God, we have again delivered very high quality and distinctive Christian Care and Support to people who want to live in a Christian community.

The headline numbers include around £750k of "one off costs" relating to the closure of the Homesdale care home releasing the site for redevelopment and the ongoing costs of our growth and renewal work. Stripping out these costs, our underlying financial performance has been strong.

I am immensely grateful to my colleagues who make this happen and who are an inspiration to me!

The success of Middlefields is a great encouragement to progress our Growth and Renewal Programme, as has been the quality of delivery through our other homes. We still have a lot of work to do to modernise our portfolio of buildings, but we are seeing our vision taking shape whereby we deliver our mission through care homes and housing that generate a financial surplus that we can re-invest in helping more people. Our charitable income plays a vital role in helping us look after people who cannot afford our fees and to reach out into the communities around our homes with help and support. Donations and in particular legacies are also vital to our Growth and Renewal programme.

Strong occupancy has been a hallmark of the year's performance, and we are probably helping more people live well in older age than at any other time in the charity's 218-year history. This is a strong vindication of the trustees' decision to welcome people into our homes who want to live in a Christian environment and to invest in the strength of our Christian care through The Way We Care and Activities and Community Engagement Facilitators for whom we have a Christian occupational requirement. The experience of Middlefields House is important here as we are supporting more people overall than we did in the Pilgrim Home it replaced, we are supporting more people who would have passed the admissions tests we had in place historically for Pilgrim Homes, and we have a richer and more vibrant sense of Christian fellowship as a result.

There is also no doubt in my mind that our vision for helping people who want to live in a Christian Community and our concern for older people in the communities around our homes have been important aspects of attracting Christians to our Senior Management team.

Last year the team we established to help other Christian charities foresee the need to be part of a larger group has allowed us to complete the work to take over the running of Bridgemead nursing home in Bath and subsequently to welcome Preston Bethany Care into the Group (transaction date 1 April 2025).

There have been many encouragements as we have progressed our work to enable the Christian faith to be advanced amongst older people through our work.

MISSION REVIEW

Our group charitable objects are to advance the Christian faith and meet the spiritual and physical needs of older people. This work is increasingly needed as the numbers of older people grow with a significant unmet need for Christian care and support and growing opportunities to share what we know about living well with older people in the communities around our homes.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

Our vision is to see older people leading fulfilled lives. This means that older people know Jesus, have their physical needs met, and receive the Christian encouragement, care, and support that they need to be fruitful and productive, and live with dignity.

Our goals are to have a growing network of residential care homes and independent living housing schemes through which more people receive excellent Christian care and support, and alongside which we will develop local partnerships between our homes, housing, and churches to encourage work amongst older people in the community.

Our values

We talk regularly about our values with all our stakeholders and know from our twice-yearly staff surveys that they are embedded in the way that we work.

Compassion is at the heart of how we interact with people. We offer loving care through relationships based on empathy respect and dignity. We get alongside people and show grace to those who are struggling and do what we can to ease people's burdens. We find new ways to care well for older people.

Community is central to human flourishing. We are a community of people who share life together, celebrating victories and supporting each other during challenging times. We share what we do and our vision for the future with others in the wider community.

Transparency is being honest and open which is crucial to doing good work. We are honest, open about challenges and looking for solutions. We listen respectfully to each other and when we disagree, we do so without conflict, and we use mistakes as opportunities to learn and grow.

Excellence is what we strive for in our work. We strive for excellence, making sure that we go above and beyond in our work. We do go the extra mile to do things as well as we possibly can. We steward our resources carefully and take opportunities to get better at the work we do.

Our work and culture

We have a bespoke approach to care which sets us apart in our provision of care for older people known as The Way We Care. At the heart, this approach is the understanding that every person living with us is made in the image of God and therefore must be treated as a valued individual who has things to contribute to the life of the community within which they live.

As part of The Way We Care we call those who live with us "family members" as we create communities which are rooted in the idea of being a special kind of family together. As each new "family member" comes to live with us their preferences and personal history is gathered and informs all aspects of their care. It also impacts the kind of activities that are delivered in the home so that each person feels comfortable and welcome.

An important aspect of The Way We Care is about how those living with dementia can flourish in our homes. We employ people whose role is to spend time with those who live with us, whether that's 30 seconds holding a hand and singing a familiar song or hymn, or five minutes looking at a family photo album.

We also employ The Way We Care Leads who have responsibility for embedding this approach throughout each home, helping carers to take person-centre approach, rather than a task-centred approach, to the delivery of care.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

Our Activities and Community Engagement (ACE) Programme has developed well, and we have been able to welcome more volunteers into our homes and make more connections with the communities around our homes. This has meant that visits from schools, churches, and other groups such as choirs are a regular function of life in our homes and that relationships with churches and others in the communities around our homes are stronger. Each volunteer that we train is better equipped to work well with older people in their churches and neighbourhoods.

The quality of our care remained high during the year with all CQG and Local Authority reviews completed finding good or better care, and our own internal monitoring and carehome.co.uk reviews saying the same. Two of the homes that joined the Group with "Requires Improvement" assessments from CQC still have that rating but they have benefitted from our systems and training, and we would expect better assessments as and when CQC visit.

Our staff

People are the heart of what we do with our supportive and caring Christian communities not only providing a wonderful care and support for older people but also creating a great working environment for our staff.

We have continued to invest heavily in training, particularly in our care staff. The Way We Care is embedded in our care homes through specialists known as The Way We Care Leads. Our Activity and Community Engagement Facilitators have been trained and equipped to start sharing some of what we know about living well with older people with churches and others in the communities around our homes. During the year we developed The Way We Care by emphasizing that its delivery requires ancillary staff in living well with our family members (in what is called a "whole home approach"), and we have more closely aligned the work of our Activity and Community Engagement Facilitators with our The Way We Care Leads. We have held the first of our "family matters" groups to extend our scope to include more intentionally the relatives of people living with us and planning is well under way for "community cafes" where we open our facilities to people who care in the community.

We listen to our colleagues through six monthly staff surveys and follow up staff forums. We are pleased that our colleagues remain highly committed to their work and very engaged with the charity seeing us as an employer that helps them give of their best. Our staff vacancies rates have reduced significantly over the year, and most of our operations are effectively fully staffed. This has been helped by recruits from overseas, all of whom have been referred to us by existing colleagues or others that we know. We have not used agencies to recruit and so we can be sure that our recruitment and employment of these colleagues has been to the highest ethical standards.

We have continued to invest in our leaders through our annual Senior Management Team conference and a leadership development programme for those who lead teams. We encourage our managers to take spiritual development days to strengthen their capacity to support the spiritual life of their homes and housing and we now have a sabbatical programme intended to provide a measure of refreshment and renewal to long serving management colleagues.

Growing for the future

We sense a calling to see our unique model of Christian care more widely available around the UK and this vision is encapsulated in what we call our Growth and Renewal Programme.

The Way We Care is at its most powerful when the building we have is designed to support its delivery as is the case at Middlefields House in Chippenham. We have been delighted to see how this building, opened in 2021, with four family sized households of twelve people has led to fulfilled living of the highest order. The home has also exceeded our financial business case assumptions and is producing a surplus that allows us to invest the quality of what we do in Chippenham and elsewhere.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

During the year we have made multiple approaches for sites close to some of our older buildings seeking to replicate the success of the renewal that we managed in Chippenham. In Worthing and in Harrogate we have been making approaches to purchase existing homes that are newer and have a strong longer-term potential as this is the quickest route to better buildings to which we would hope to move our people.

In the year we have also seen growth as we have welcomed into the Group the transfer of a nursing home in Bath (Bridgemead) and on 1 April 2025 Preston Bethany Care Limited joined the group (Bethany House care home). We were pleased to be able to make a start on improving the flood defences for Bridgemead from the River Avon, and from 1 April we will be negotiating with Preston City Council seeking to transfer the leases for Bethany House to PFS so that we can close the Preston Bethany Care charity.

In terms of new buildings, we have submitted for planning a scheme for a new care home on the site of the Homesdale care home (Wanstead, London) that we had to close in the year. We are in discussions regarding the purchase of a new site in the South Coast area that we hope will strengthen our representation in that area, and we shared with Bedford churches and the residents of Dorothea Court our desire to find a site for a new care home and housing provision in the area.

We have also written to other Christian care homes that are not part of a larger group seeking to provide encouragement, particularly at trustee level. We remain open to the gifting of assets and operations to the Group where we can enhance governance, operational performance and sustain the ongoing delivery of Christian care.

We have continued to support Faith in Later Life, a charity that we incubated, and it has continued to grow now encouraging, equipping, and inspiring over 1050 volunteers working in churches with older people, known as Church Champions. In communities where we do not have care homes and housing then we want to see active Faith in Later Life Church Champions pursuing our charitable objects.

"Christians in Care," our initiative that supports Christians working in secular care settings has grown well. We are pleased to be helping almost 200 carers to keep going as we encourage them in their work to advance the Christian faith amongst older people.

Raising our profile

Our engagement with press, both local and national, has continued with significant media coverage showcasing the value of older people and what it is like to live with us. The Sunday service broadcast from Middlefields House on Radio 4 was particularly successful in both these regards.

Our magazine, newsletters and prayer letters continue to be regarded highly, and the numbers of subscribers are increasing.

We launched "Empowering Communities to Care" at events in the summer and autumn alongside other leading charities and we have been encouraged by the level of support that our recommendations have attracted for a grassroots, church and community led strand in the drive to join up the provision of care and support for older people. We will continue to represent these ideas to Baroness Casey's review of adult social care.

Alongside this were regular appearances by Louise Morse and Stephen Hammersley on Christian radio including TWR, UCB and Premier Radio, all of which highlighted our work among older Christians.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

Funding challenges

Local Authority funding has not kept pace with the increases in care costs driven by factors such as employer national insurance increases (from April 25), increased living wages and significant cost inflation. This means that the difference between Local Authority and private pay rates has grown dramatically over recent years and erodes our financial surplus. As we are not prepared to reduce the quality of our delivery it is hard to see us being able to carry on admitting people with no constraints on the proportion of people funded by local authorities without top-ups.

We continue to receive generous charitable contributions, particularly in the form of legacies, that we plan to invest in new provision for older people.

FINANCIAL REVIEW

Overall performance

The charity realised a net surplus of £361,000 in the year compared to £1,702,000 in the previous year.

The key measure of performance used in the charity's management accounts is its earnings before interest, tax, depreciation amortisation and rent (EBITDAR).

EBITDAR for the year is reported as a surplus of £740,000 against a surplus of £1,830,000 the previous year.

For an overall view of The Pilgrims Friend Group please see our consolidated accounts.

STATUTORY INFORMATION

Our objects and how we seek to fulfil them

The Pilgrims Friend Group is a non-trading charitable company which is the sole corporate member of Pilgrims' Friend Society, Pilgrim Homes, Homesdale (Woodford Baptist Homes) Limited, Bridge Care Limited and Pilgrim Homes Trust. In turn, Pilgrims' Friend Society is the sole corporate member of Strathclyde House Trust. The governing document is the articles of association.

The Pilgrims Friend Group exists to research and understand the context for the delivery of Christian care, and it sets policies and provides direction for the charities in its group. The Board of this charity makes significant decisions for the running of the group. All the Members of the Board of Trustees of The Pilgrims Friend Group are also on the board of one or more of the Group's subsidiary entities. The trustees of the Pilgrims Friend Group are distributed so that we have the capacity to manage conflicts of interest while transacting business between charities.

Responsibility for the day-to-day operations of the charity is delegated to the Chief Executive and Senior Management Team of Pilgrims' Friend Society which has been the main operating charity for the group. The pay of Key Management Personnel is reviewed annually and normally increases in accordance with average earnings bearing in mind charities of comparable size and activity.

Pilgrims' Friend Society and The Pilgrim Friends Group have identical objects with the primary object being "the advancement of the Christian faith and the relief of poverty, sickness, disablement, old age and infirmity for the public benefit to the glory of God." Strathclyde House Trust has similar objectives to these two charities. The objects of Pilgrim Homes and its successor charity Pilgrim Homes Trust are: "The relief either individually or

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

collectively of poverty, sickness, disablement, and infirmity of older people of the Protestant Christian faith including by the provision and maintenance of residential care and housing.”

Pilgrims' Friend Society advances the Christian faith by operating Christian care and housing for older people and by producing resources that inspire, encourage, and equip others in their work of caring for older people.

Pilgrims' Friend Society operates all our homes and schemes in the group Homesdale (Woodford Baptist Homes) Limited, Bridge Care Limited and Strathclyde House Trust apart, in the same way to ensure the same quality of Christian care and to give us economies of scale in our operations. Homesdale (Woodford Baptist Homes) Limited, Bridge Care Limited and Strathclyde House Trust remain as distinct legal entities but follow policies and procedures derived from those in place within Pilgrims' Friend Society.

Pilgrim Homes Trust (and Pilgrim Homes before it) fulfils its objects through the ownership of care homes and housing schemes which are operated on its behalf by Pilgrims' Friend Society. Pilgrim Homes Trust is the group charity that built the first of our Renewal Programme homes at Chippenham (Middlefields House).

During the year we brought Bridge Care Limited, a charity, into the group through a “Grouping Agreement” that also involved their committee members standing down in favour of people drawn from the Pilgrim Friends Group Board.

The Annual Review section of this report sets out how our work provides accommodation and care to older people through the provision of Christian care in a residential setting to those who are over 65 and in need of such accommodation or care because of their age, poverty, sickness, or disablement.

Our charities advance the Christian faith by ensuring that beneficiaries have every opportunity to pursue their Christian lives. Regular devotions, opportunities to pray and be supported in prayer, Christian services, Bible studies, opportunities to share fellowship and express Christian beliefs and values through crafts and activities are available in all our homes and schemes.

The benefits of our work are people living safe and fulfilled lives in their later years when they need Christian care and support.

Pilgrims' Friend Society, Homesdale (Woodford Baptist Homes) Limited and Bridge Care Limited (all of which TPFG is the sole member) and Strathclyde House Trust (of which PFS is the sole member) provide a safe, secure environment and a Christian community with opportunities for fellowship with like-minded Christian people.

Public Benefit

The charity's trustees have considered the guidance regarding public benefit when considering and planning their objectives and activities for the year.

Employment Policies

Pilgrims' Friend Society, Homesdale (Woodford Baptist Homes) Limited, Bridge Care Limited and Strathclyde House always selects staff colleagues based on their ability to do the job on offer based on a “Person Specification” for each post. We are fully compliant with Equalities legislation and recognise our obligations, under Disability Discrimination legislation, to consider reasonable modifications to allow people living with a disability to take up employment. We have an occupational requirement for some posts to be filled by Protestant Christians, who agree with our doctrinal basis, to maintain our founding Christian ethos. These issues are dealt with fully under the charity's Equal Opportunities policies.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

All our homes hold regular meetings for all colleagues which are designed to impart information regarding developments within the charity and to give staff opportunity to raise issues. Where any specific proposal is likely to have a significant impact on individual members of staff, such staff are consulted in line with current legislation and good practice. We conduct a charity wide staff survey and feedback to colleagues on how we respond to the issues raised.

We are in regular communication with our staff colleagues on all matters relating to their terms and conditions of employment. We survey our staff colleagues twice a year followed up by forums open to all.

The managers of our homes and schemes meet at least twice a year as the "senior team" and one of these meetings includes discussion with the trustees as to the future direction of the Society. Significant changes to the work of the Society are typically preceded by a consultation with colleagues in our homes and schemes and our volunteers sometimes involving a visit by a member of the executive team and a trustee. We encourage colleagues' involvement in the Society's performance and their awareness of the factors affecting our work through a monthly prayer bulletin that is posted on the noticeboards in all our homes and schemes.

Volunteers

Our volunteers are a vital aspect of our work. As well as raising some of the finances we need they also make them go much further through their volunteering. We are particularly grateful to visitors who provide much needed comfort and company to residents and those who lead the regular acts of worship in our homes. The Charity Commission requires we state a number for these volunteers, and we estimate this to be around 450 (was 425 last year).

Related parties

The trustees of the charity consider the following to be related parties:

1. Key Management Personnel of Pilgrims' Friend Society
2. The following charities:
 - a. The Pilgrims Friend Group (TPFG) – the ultimate holding company of this Charity.
 - b. Pilgrim Homes (PH) – a fellow subsidiary of the Pilgrims Friend Group.
 - c. Pilgrim Homes Trust (PHT) – a fellow subsidiary of the Pilgrims Friend Group.
 - d. Strathclyde House Trust (SHT) – a subsidiary of this Charity.
 - e. Bridge Care Limited (charity no. 299400, company no. 02001246)
3. Homesdale (Woodford Baptist Homes) Limited – Cooperative & Community Benefit Society No 13406R
4. PFG Trading Limited – a limited company
5. Aged Pilgrims' Friend Society Trust Limited (APFST) – a non-trading limited company which, holds title to the properties owned by Pilgrim Homes. APFST is a wholly owned subsidiary of Pilgrim Homes Trust holds title to the properties on behalf of Pilgrim Homes Trust.

Investment policy

Given the need for cash, the trustees take the view that it is better to retain the majority of the charity's funds in bank deposits, rather than investing in other classes of assets.

Principal sources of funding

The charity expects to continue to raise most of its income from fees charged to residents of its homes and by charges for its housing. The Renewal Programme will be funded by borrowing, social investment, the sale of some property assets and donations.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

Accommodation charges policy

As with the other related charities, this charity sets the level of charges for accommodation in its care homes based on local market conditions. It does not discriminate against older Christians who may not have the resources to meet the costs of their own care and we accept residents whose fees are met on their behalf by local authorities, notwithstanding the shortfall that then arises. In these circumstances we seek a 'top-up' from family or friends where possible.

Fundraising

Pilgrims' Friend Society does not employ outside or commercial fund-raisers. We make sure that our supporters are kept up to date with our work and that they have the opportunity to give to support it. It issues a magazine twice a year and solicits prayer for the work of the charity. Both the magazine and the prayer updates issued by the charity may include mention of financial needs. No complaints have been received in the year about our fundraising. Pilgrims' Friend Society is registered with the Fundraising Regulator.

Risks and regulations

The charity maintains a comprehensive register of risks which is reviewed by the Key Management Personnel at their monthly meetings and by trustees at every trustee meeting. The key developments in the year that we have responded to have been: state funding risks as central government policies have mandated cost increases that local authorities do not have the budget to afford; cyber risks have increased as technology becomes ever more central to our operations; challenges to staffing as access to overseas colleagues has been constrained; increased fire-safety actions as some of the lessons learned from Grenfell have rippled out across the sector. The risks reviewed on our risk register with the highest ratings are in the following table.

Risk	Commentary & Actions to Mitigate
Growth & Renewal programme at risk because of increasing costs and delays finding sites or capacity issues	Enhanced governance and oversight arrangements established for the programme.
Financial drain on Society if cashflow from homes and schemes unable to finance necessary support costs	Budget process and monitoring - 25/26 budget is for a surplus
Ageing of properties to point where costs to maintain are prohibitive	The Growth & Renewal Programme. Proactive management of emerging problems.
Cost inflation (inc taxes such as NI) not matched by fees	Monthly scrutiny of financial performance.
Adult Social Care policy change reduces income and/or drives up cost	Engagement with NCF to add weight to lobbying. Mitigation is to admit fewer local authority funded family members.
PFS unable to retain staff	We are better than sector average but this is a major cost. Vacancy rates are low but turnover still high. We have a programme of staff engagement to reduce churn.
PFS unable to recruit Christian home and housing managers	Use of agencies to find and recruit as well as proactive advertising.
Tightening labour market increases agency staff costs and dependency on agency staff	This is a sector wide challenge that has been mitigated by proactive recruitment from the overseas pool and proactive HR management.
Cyber-attack (including ransomware) impeding operations, and/or causing loss of data	Ransomware attacks are more prevalent. Mitigation is under advice from Sharp IT Services, Adapta Consulting and new Head of IT. Training on cyber security is undertaken and we actively moving towards Cyber Essentials certification (one site is).
Failure to govern group charities as separate legal entities	Annual governance review. Risk increased as we have increases complexity with recent acquisitions
PFS unable to recruit staff with relevant skills in a timely fashion	Apprenticeships, career paths and planned actions to enhance recruitment.
Reduced occupancy in homes/schemes falling below viability level	Effective occupancy marketing. Timely performance data and management action.
Fire Risks - large numbers of actions from fire risk assessments (mainly fire door adjustments) post Grenfell.	Proactively managed plan of action within the Property Services Plan.
Significant and unresolved non-compliance with regulations	Careful design of PFS compliance policies and QA systems. Careful management and integration of gift acceptance homes.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2025

Reserves

The Charity holds funds of £17,299,000 at the year end. Restricted funds account for £4,447,000 of this, although the majority of these reserves (£4,157,000) are part of the Pilgrim Homes restricted fund that can be used to fund operational costs of a proportion of the operating entities (the Pilgrim Homes). Of the unrestricted funds, £9,955,000 could only be realised by disposing of tangible fixed assets or programme related investments. This means that the free reserves (that is, the part of the charity's unrestricted funds that is freely available to spend on any of the charity's purposes) is £2,897,000 against a target of £1,000,000. Including the Pilgrim Homes restricted fund to this gives total accessible reserves of £7,054,000.

Trustee recruitment and training

Trustees are appointed at a board meeting following a nomination process. Candidates must meet a strict set of specifications concerning personal competence, specialist skills, availability and Christian belief. Once the Board and new trustee decide to proceed with a formal appointment there follows an induction period to familiarise the new trustee with the charity's operations. Newly appointed trustees meet with the Chief Executive and members of the Senior Management Team to provide an introduction to the affairs of the charity, key operational methods and the current strategic plan. Trustee performance is subject to an annual review by the Chairman.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Pilgrims' Friend Society for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company 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 charitable company and of the income and expenditure, of the charitable company for that period. In preparing these 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 judgments and accounting 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, 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 trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)
For the year ended 31 March 2025

AUDITORS

Xeinadin Audit Limited were the charitable company'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



A Copeman
Trustee

Date: 17 July 2025

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society For the year ended 31 March 2025

OPINION

We have audited the financial statements of Pilgrims' Friend Society (the charity) for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources 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 director's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2025**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report included with 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, 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 charity'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 company or to cease operations, or have no realistic alternative but to do so.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2025**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to charity financial reporting, employment, health & safety and care and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to:

- disclosure of capital commitments or provisions
- recognition of legacy income
- fraudulent extraction of cash

In response to the risks identified we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- identifying and reviewing journal entries
- discussions with management and review of legal correspondence
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) For the year ended 31 March 2025

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 and regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 18 July 2025

PILGRIMS' FRIEND SOCIETY

Statement of financial activities (incorporating the income and expenditure account) For the year ended 31 March 2025

		2025			2024		
	Note	Unres- tricted Funds £000	Restricted Funds £000	Total £000	Unres- tricted Funds £000	Restricted Funds £000	Total £000
Income from:							
Donations and legacies	2	549	75	624	1,992	168	2,160
Investments	3	303	-	303	109	4	113
Charitable activities	4	6,398	13,635	20,033	9,237	9,219	18,456
Other income	5	<u>16</u>	<u>2</u>	<u>18</u>	<u>15</u>	<u>2</u>	<u>17</u>
Total income		<u>7,266</u>	<u>13,712</u>	<u>20,978</u>	<u>11,353</u>	<u>9,393</u>	<u>20,746</u>
Expenditure on:							
Raising funds	6	42	3	45	33	8	41
Charitable activities	7	<u>8,345</u>	<u>12,223</u>	<u>20,568</u>	<u>10,619</u>	<u>8,462</u>	<u>19,081</u>
Total expenditure		<u>8,387</u>	<u>12,226</u>	<u>20,613</u>	<u>10,652</u>	<u>8,470</u>	<u>19,122</u>
Net (losses)/gains on investments		<u>-</u>	<u>(4)</u>	<u>(4)</u>	<u>-</u>	<u>78</u>	<u>78</u>
Net income/(expenditure)		(1,121)	1,482	361	701	1,001	1,702
Transfers between funds		<u>(16)</u>	<u>16</u>	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>-</u>
Net movement in funds		(1,137)	1,498	361	702	1,000	1,702
Reconciliation of funds							
Total funds brought forward		<u>13,989</u>	<u>2,949</u>	<u>16,938</u>	<u>13,287</u>	<u>1,949</u>	<u>15,236</u>
Total funds carried forward		<u>12,852</u>	<u>4,447</u>	<u>17,299</u>	<u>13,989</u>	<u>2,949</u>	<u>16,938</u>

All the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 19 to 35 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Balance sheet As at 31 March 2025

	Note	2025 £000	£000	2024 £000	£000
Fixed assets					
Tangible assets	10		7,727		7,962
Investments	11		<u>2,228</u>		<u>3,006</u>
			9,955		10,968
Current assets					
Debtors and prepayments	12	2,900		5,356	
Cash at bank and in hand		<u>10,016</u>		<u>5,641</u>	
		12,916		10,997	
Creditors: Amounts falling due within one year	13	<u>5,572</u>		<u>5,027</u>	
Net current assets			7,344		5,970
Total assets less current liabilities			<u>17,299</u>		<u>16,938</u>
Funds:	14				
Unrestricted funds	14,15		12,852		13,989
Restricted funds	16,17		<u>4,447</u>		<u>2,949</u>
Total Funds			<u>17,299</u>		<u>16,938</u>

The financial statements were approved by the Trustees on 17 July 2025 and signed on their behalf by:


A Copeman
Trustee

Company Registration No: 3027071

The notes on pages 19 to 35 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Statement of cash flows

For the year ended 31 March 2025

	2025 £000	2024 £000
Cash flows from operating activities		
<i>Trading and donations</i>		
Net movement in funds	361	1,702
Depreciation	379	293
Gift of Cumbria Emmaus net assets excluding cash	-	(1,103)
(Decrease)/increase in legacy debtors	(2,475)	1,555
Investment income	(303)	(113)
Movement in fair value of investments	16	(78)
(Gain)/loss on disposal of fixed assets	153	26
Adjustments to fixed assets	-	73
Net cash (used in)/provided by trading and donations	(1,869)	2,355
<i>Working capital movements</i>		
Decrease/(increase) in debtors excluding legacies	4,931	(506)
Increase in creditors	545	645
Net cash provided by working capital movements	5,476	139
Net cash provided by operating activities	3,607	2,494
Cash flows from investing activities		
<i>Tangible fixed assets</i>		
Payments on additions of tangible fixed assets	(329)	(511)
Proceeds on disposal of tangible fixed assets	32	512
Net cash (used in)/provided by tangible fixed assets	(297)	1
<i>Fixed asset investments</i>		
Interests and dividends received	303	113
Payments on additions of fixed asset investments	-	(500)
Proceeds on disposal of fixed asset investments	762	-
Net cash provided by/(used in) fixed asset investments	1,065	(387)
Net cash provided by/(used in) investing activities	768	(386)
Net cash inflow	4,375	2,108
Cash and cash equivalents at 1 April 2024	5,641	3,533
Cash and cash equivalents at 31 March 2025	10,016	5,641

The notes on pages 19 to 35 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

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

1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in England and Wales and is governed by its Memorandum and Articles of Association. Its registered office is 175 Tower Bridge Road, London SE1 2AL.

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

1a. Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006, the Charities Act 2011 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include certain investments and financial instruments at fair value.

1b. Consolidation

This charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage of exemptions from the requirement to disclose transactions with other group undertakings.

The financial statements of the charity are consolidated in the financial statements of The Pilgrims Friend Group. These consolidated financial statements are available from its registered office at 175 Tower Bridge Road, London SE1 2AL.

1c. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1d. Tangible fixed assets

Fixed assets are recorded at historic cost. Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2025

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight-line basis:

Land	nil
Buildings	100 years
Roof	70 years
Electrics	40 years
Windows, doors, heating and plumbing	30 years
Bathrooms and lifts	20 years
Kitchens – sheltered	20 years
Boilers	15 years
Kitchens – residential	10 years
Furniture and equipment – sheltered	10 years
Hard landscaping	5 years
Motor vehicles	4 years
Computer equipment	4 years

1e. Income

Housing and care income is recognised on the basis of the period that the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

1f. Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

1g. Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

1h. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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 trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in note 18 to the financial statements.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2025

1. ACCOUNTING POLICIES (continued)

1i. Leases

Rentals payable under operating leases are dealt with on a straight-line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

1j. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1k. Investments

Investments in subsidiary charities are included at the historic cost less provisions for impairment. Listed investments are stated at fair value.

1l. Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1m. Cash and cash equivalents

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

1n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount. Concessionary loans are included at historic cost.

1o. Financial instruments

The charity only has financial assets and 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.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2025

2. DONATIONS AND LEGACIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2025 £000	Total 2024 £000
Donations	233	72	305	264
Net assets gifted by Cumbria Emmaus	10	-	10	1,500
Legacies	<u>306</u>	<u>3</u>	<u>309</u>	<u>396</u>
	<u>549</u>	<u>75</u>	<u>624</u>	<u>2,160</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2025 £000	Total 2024 £000
Bank interest	<u>303</u>	<u>-</u>	<u>303</u>	<u>113</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2025 £000	Total 2024 £000
Care fees	6,170	12,776	18,946	17,423
Housing income	<u>228</u>	<u>859</u>	<u>1,087</u>	<u>1,033</u>
	<u>6,398</u>	<u>13,635</u>	<u>20,033</u>	<u>18,456</u>

5. OTHER INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2025 £000	Total 2024 £000
Other sources	<u>16</u>	<u>2</u>	<u>18</u>	<u>17</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2025

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2025 £000	Total 2024 £000
Publicity and deputation	<u>42</u>	<u>3</u>	<u>45</u>	<u>41</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES

<i>Activities split by fund:</i>	Unrestricted Funds £000	Restricted Funds £000	Total 2025 £000	Total 2024 £000
Housing	9	611	620	808
Care	6,899	9,540	16,439	17,087
Education and training	88	-	88	305
Raising awareness	90	-	90	144
General support costs	<u>951</u>	<u>2,021</u>	<u>2,972</u>	<u>418</u>
	8,037	12,172	20,209	18,762
Depreciation	328	51	379	293
(Gain)/loss on disposal of fixed assets	(<u>20</u>)	<u>-</u>	(<u>20</u>)	<u>26</u>
	<u>8,345</u>	<u>12,223</u>	<u>20,568</u>	<u>19,081</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2025

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Analysis by activity:

	Housing £000	Care £000	Education & training £000	Raising Awareness £000	General Support £000	Total 2025 £000	Total 2024 £000
Salaries and wages	186	12,439	-	-	1,918	14,543	13,518
Food	117	718	-	-	-	835	847
Administrative expenses	33	629	-	-	587	1,249	1,167
Repairs and maintenance	172	1,183	-	-	-	1,355	1,107
Heat and light	57	509	-	-	-	566	613
Other expenses	55	662	88	90	89	984	1,057
Professional fees	-	4	-	-	351	355	486
Governance costs: auditor's fees	-	-	-	-	27	27	22
Donations made to subsidiaries	-	295	-	-	-	295	-
Allocated administrative costs	-	-	-	-	-	-	(55)
	<u>620</u>	<u>16,439</u>	<u>88</u>	<u>90</u>	<u>2,972</u>	<u>20,209</u>	<u>18,762</u>
Buildings depreciation	30	204	-	-	-	234	158
General depreciation	3	124	-	-	18	145	135
Loss on disposal	-	-	-	-	(20)	(20)	26
	<u>653</u>	<u>16,767</u>	<u>88</u>	<u>90</u>	<u>2,970</u>	<u>20,568</u>	<u>19,081</u>

During the year the auditors were paid £4,000 for accountancy services (2024: £6,000).

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2025

8. STAFF COSTS

	2025 £000	2024 £000
Wages and salaries	12,699	11,414
Social security costs	1,127	873
Pension costs	449	383
Agency staff costs	<u>268</u>	<u>848</u>
	<u>14,543</u>	<u>13,518</u>

Redundancy payments totalling £nil (2024: £43,731) are included above.

The average number of staff employed in the period on a headcount basis was:

	No	No
Homes	572	586
Head Office	<u>39</u>	<u>41</u>
	<u>611</u>	<u>627</u>

The average number of staff employed in the period on a full-time equivalent basis was:

	No	No
Homes	432	462
Head Office	<u>37</u>	<u>40</u>
	<u>469</u>	<u>502</u>

The emoluments of ten employees exceeded £60,000 in the year ended 31 March 2025 (2024: 10). Five of those employees earned between £60,000 and £70,000, three earned between £70,000 and £80,000 and two earned between £90,000 and £100,000 (2024: Four of those employees earned between £60,000 and £70,000, three earned between £70,000 and £80,000, one earned between £80,000 and £90,000, one earned between £90,000 and £100,000 and one earned between £110,000 and £120,000 including redundancy pay).

Remuneration of £nil (2024: £1,574) was paid to one trustee, Mr Martyn Hallett. This related to employment as pastoral co-ordinator on a part time basis. Mr Hallett started this paid role on 1 March 2020, before he was appointed as a trustee in October 2022 and subsequently resigned on 19 June 2023. Continued employment was in accordance with Clause 4 of the Articles of Association of the Charity and consent given by the Charity Commission. No remuneration was paid to any other trustee during the year. Travel expenses of £875 (2024: £343) were reimbursed to 3 trustees (2024: 3 trustees) for items incurred wholly, exclusively and necessarily in the course of the charity's activities.

The total aggregate remuneration of Key Management Personnel for the year was £502,101 (2024: £532,785).

The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) paid to family members of the trustees was £nil (2024: £64,391).

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2025

9. NET INCOME

	2025 £000	2024 £000
This is stated after charging:		
Depreciation	379	293
(Gain)/loss on disposal of fixed assets	(20)	26
Auditors' remuneration for audit services	27	22
Auditors' remuneration for other services	<u>4</u>	<u>6</u>

10. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £000	Furniture, Fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
As at 1 April 2024	9,800	1,788	222	11,810
Additions	142	104	83	329
Disposals	(317)	-	(44)	(361)
As at 31 March 2025	<u>9,625</u>	<u>1,892</u>	<u>261</u>	<u>11,778</u>
Depreciation				
As at 1 April 2024	2,620	1,128	100	3,848
Charge for the year	234	88	57	379
Released on disposals	(138)	-	(38)	(176)
As at 31 March 2025	<u>2,716</u>	<u>1,216</u>	<u>119</u>	<u>4,051</u>
Net book value				
As at 31 March 2025	<u>6,909</u>	<u>676</u>	<u>142</u>	<u>7,727</u>
As at 31 March 2024	<u>7,180</u>	<u>660</u>	<u>122</u>	<u>7,962</u>
			2025 £000	2024 £000
At cost or donated value:				
Ernest Luff Care Home, Walton-on-the-Naze			2,167	2,419
Ernest Luff Housing, Walton-on-the-Naze			1,607	1,590
Emmaus Care Home, Harrogate			1,253	1,162
Permanent landscape, Ernest Luff Care Home			-	34
Koinonia Christian Care, Worthing			2,036	2,033
Carey Gardens, Kirby Muxloe			1,296	1,278
Emmaus House, Whitehaven, Cumbria			<u>1,266</u>	<u>1,284</u>
			<u>9,625</u>	<u>9,800</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2025

11. INVESTMENTS

	Listed investments £000	Unlisted investments £000	Total £000
Valuation			
As at 1 April 2024	778	2,228	3,006
Additions	-	-	-
Disposals	(762)	-	(762)
Revaluation	(16)	-	(16)
As at 31 March 2025	<u>-</u>	<u>2,228</u>	<u>2,228</u>
Historic cost			
As at 31 March 2025	<u>-</u>	<u>2,228</u>	<u>2,228</u>

The closing balance of unlisted investments related to the charity's 100% controlling interest in Strathclyde House Trust Limited, a charitable company registered in Scotland.

12. DEBTORS AND PREPAYMENTS

	2025 £000	2024 £000
Arrears of local authority and residents' contribution	231	202
Amounts due from group entities	1,821	1,109
Amounts owed from Pilgrim Garden service charge	56	39
Amounts owed from Royd Court service charge	26	252
Amounts owed from Strathclyde service charge	1	355
Other debtors and prepayments	<u>765</u>	<u>3,399</u>
	<u>2,900</u>	<u>5,356</u>

13. CREDITORS AND ACCRUALS: amounts falling due within one year

	2025 £000	2024 £000
Short term loans	85	115
Trade creditors	440	236
Taxation and social security	223	197
Amounts due to group entities	3,681	3,191
Other creditors and accruals	<u>1,143</u>	<u>1,288</u>
	<u>5,572</u>	<u>5,027</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2025

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds (note 15)	Restricted Funds – general (note 16b)	Restricted Funds- Pilgrim Homes (note 16a)	Total Funds
	£000	£000	£000	£000	£000
2025					
Fixed assets					
Tangible	7,727	-	-	-	7,727
Investments	2,228	-	-	-	2,228
Current assets	8,469	-	155	4,292	12,916
Current liabilities	(5,572)	-	-	-	(5,572)
Total Net Assets	<u>12,852</u>	<u>-</u>	<u>155</u>	<u>4,292</u>	<u>17,299</u>
2024					
Fixed assets					
Tangible	6,670	-	-	1,292	7,962
Investments	2,228	-	-	778	3,006
Current assets	10,118	-	123	756	10,997
Current liabilities	(5,027)	-	-	-	(5,027)
Total Net Assets	<u>13,989</u>	<u>-</u>	<u>123</u>	<u>2,826</u>	<u>16,938</u>

15. DESIGNATED FUNDS

	Brought forward at 1 April 2024 £000	Income £000	Expenditure £000	Revaluations and transfers £000	Carried forward at 31 March 2025 £000
2025					
Strathclyde House Trust	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2024					
Strathclyde House Trust	2,228	-	-	(2,228)	-
	<u>2,228</u>	<u>-</u>	<u>-</u>	<u>(2,228)</u>	<u>-</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2025

16. a) RESTRICTED FUNDS – PILGRIM HOMES

2025	Brought forward at 1 April 2024 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2025 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	2,690	13,643	(12,218)	42	4,157
<i>Pilgrim Homes Restricted Funds</i>					
St Albans	85	-	-	-	85
Homes Voluntary Support Funds (see note 16c)	<u>51</u>	<u>27</u>	<u>-</u>	(<u>28</u>)	<u>50</u>
Total restricted funds – Pilgrim Homes	<u>2,826</u>	<u>13,670</u>	<u>(12,218)</u>	<u>14</u>	<u>4,292</u>

16. b) RESTRICTED FUNDS – GENERAL

Homes Voluntary Support Funds (see note 16c)	93	32	(8)	13	130
Local Homes Project Funds	21	9	-	(7)	23
Dementia Fund	<u>9</u>	<u>1</u>	<u>-</u>	(<u>8</u>)	<u>2</u>
Total restricted funds - general	<u>123</u>	<u>42</u>	<u>(8)</u>	<u>(2)</u>	<u>155</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2025

16. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

	Brought forward at 1 April 2024 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2025 £000
2025					
Funds restricted by Pilgrim Homes articles					
Great Finborough	-	4	-	-	4
Evington	6	10	-	(3)	13
Tunbridge Wells	17	3	-	(4)	16
Wantage	15	3	-	(16)	2
Shottermill	13	6	-	(5)	14
Bedford	-	1	-	-	1
	51	27	-	(28)	50
Other restricted funds					
Emmaus House	6	-	-	-	6
Ernest Luff Care	-	1	-	-	1
Koinonia	-	2	-	(1)	1
Kirby Muxloe	79	24	(8)	17	112
Middlefields	8	5	-	(3)	10
	93	32	(8)	13	130
Total Homes Voluntary Support Funds	144	59	(8)	(15)	180

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2025

17. a) RESTRICTED FUNDS – PILGRIM HOMES (comparatives)

	Brought forward at 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2024 £000
2024					
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	1,687	9,298	(8,394)	99	2,690
<i>Pilgrim Homes Restricted Funds</i>					
St Albans	85	-	-	-	85
Homes Voluntary Support Funds (see note 16c)	<u>59</u>	<u>39</u>	(<u>26</u>)	(<u>21</u>)	<u>51</u>
Total restricted funds – Pilgrim Homes	<u>1,831</u>	<u>9,337</u>	<u>(8,420)</u>	<u>78</u>	<u>2,826</u>

17. b) RESTRICTED FUNDS – GENERAL (comparatives)

Faith in Later Life	-	40	(40)	-	-
Homes Voluntary Support Funds (see note 16c)	89	5	-	(1)	93
Local Homes Project Funds	21	10	(10)	-	21
Dementia Fund	<u>8</u>	<u>1</u>	-	-	<u>9</u>
Total restricted funds - general	<u>118</u>	<u>56</u>	<u>(50)</u>	<u>(1)</u>	<u>123</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2025

17. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS (comparatives)

	Brought Forward at 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2024 £000
2024					
Funds restricted by Pilgrim Homes articles					
Great Finborough	-	2	(1)	(1)	-
Evington	-	15	(2)	(7)	6
Tunbridge Wells	18	2	-	(3)	17
Wantage	23	16	(23)	(1)	15
Shottermill	17	4	-	(8)	13
Bedford	<u>1</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
	59	39	(26)	(21)	51
Other restricted funds					
Emmaus House	5	1	-	-	6
Koinonia	-	1	-	(1)	-
Kirby Muxloe	79	-	-	-	79
Middlefields	<u>5</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>8</u>
	89	5	-	(1)	93
Total Homes Voluntary Support Funds	<u>148</u>	<u>44</u>	<u>(26)</u>	<u>(22)</u>	<u>144</u>

All Homes Voluntary Support Funds are restricted funds. Income received represents donations received for work at individual care homes and all expenditure is for the benefit of the ongoing work of the specific home. Where a home is lossmaking, at the end of the year the balance on the support fund is transferred to the general fund of the charity to assist in defraying the losses.

18. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS

Designated Funds

Strathclyde House Trust Fund

This was earmarked by trustees to represent the value of the investment recognised for Strathclyde House Trust. It was decided that this was no longer useful and therefore the balance of this fund was transferred to the General Fund.

Restricted Funds

Pilgrim Homes Fund

This heading includes both the reserves of Pilgrim Homes and the Pilgrim Homes Restricted Fund within Pilgrims' Friend Society, which were transferred to Pilgrim Homes Trust on 31 March 2020.

St Albans and Lucy McNeil Home Funds

These funds relate to the receipt of donations and the proceeds of various fundraising activities for the purpose of establishing new homes.

Faith in Later Life

This represents donations from the Outlook Trust, this charity and a number of partner charities for use towards the costs of the 'Faith in Later Life' initiative mentioned in the Trustees' report. This initiative is in the course of being incorporated as a separate charity and following incorporation the balance of funds held will be transferred to this new charity.

Local Homes Project Funds

These represent the amounts raised and spent by local homes towards specific locally agreed initiatives within specific homes.

Dementia Fund

This fund is utilised to assist in meeting the costs of new initiatives to better look after our residents with dementia.

Homes Voluntary Support Funds

Homes Voluntary support funds represent donations made by supporters for the purpose of improving care at specific homes. These funds are also available, in the event of a home making a trading loss in a financial year, to reduce the loss sustained.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2025

19. LEASING COMMITMENTS

Operating leases

The charitable company's total future minimum lease payments under operating leases at 31 March 2025 were payable as set out below:

	2025 £000	2024 £000
Within one year	38	38
Within two to five years	<u>21</u>	<u>42</u>
	<u>59</u>	<u>80</u>

The operating lease charges for the year were:

	2025 £000	2024 £000
Land and buildings	66	60
Hire of plant and machinery	<u>30</u>	<u>41</u>
	<u>96</u>	<u>101</u>

The lease over 175 Tower Bridge Road, London expired on 31 December 2014. Since that date the charity has continued to pay rent at the existing annual rate of £67,000. The charity is required to give 3 months' notice under Section 27 of the Landlord & Tenant Act 1954 to vacate the premises.

20. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the pension funds. There were contributions of £nil due to the fund at the period end (2024: £75,000).

The Society also makes a small number of *ex gratia* pension payments to former employees. The annual commitment to make these payments has been reducing over the past few years and currently stands at around £3,000 per annum. A few years ago, the trustees considered whether to accrue for this liability but, given the amounts payable, the age of those receiving a pension and the complexity of determining an appropriate reserve, no provision was made.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) **For the year ended 31 March 2025**

21. RELATED PARTY TRANSACTIONS

The Pilgrims Friend Group is the ultimate controlling charity of the group, whose principal activity is to run Christian care homes. It is a charitable company limited by guarantee incorporated in England and Wales. Its registered office is 175 Tower Bridge Road, London SE1 2AL. Company number: 07169875. Charity number: 1134979.

The charity is a subsidiary of The Pilgrims Friend Group by virtue of that charity being the sole member of Pilgrims' Friend Society with the right to appoint directors. Transactions with The Pilgrims Friend Group and its other group undertakings are not disclosed as consolidated financial statements for the group are publicly available.

Details of trustees' and key management personnel and remuneration are disclosed in note 8 to the financial statements.

There are no other related party transactions.

22. COMPANY LIMITED BY GUARANTEE

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Accounts

PILGRIMS' FRIEND SOCIETY

Financial Statements

For the year ended 31 March 2024

COMPANY NUMBER 3027071

CHARITY NUMBER 1045920

PILGRIMS' FRIEND SOCIETY

Contents of the financial statements For the year ended 31 March 2024

Page	
1	Trustees' report – statutory information
2 - 10	Trustees' report
11 - 14	Independent auditor's report
15	Statement of financial activities
16	Balance sheet
17	Statement of cash flows
18 - 34	Notes to the financial statements

PILGRIMS' FRIEND SOCIETY

Trustees' report – statutory information For the year ended 31 March 2024

DIRECTORS AND TRUSTEES

Alan Copeman
Genefer Espejo
Robin Turnbull (resigned 31 December 2023)

Bryan Jarvis (resigned 31 December 2023)
Max Robinson(resigned 24 July 2023)
Sheila Warnes

COMPANY SECRETARY

Robert Fricker

REGISTERED OFFICE

175 Tower Bridge Road
London
SE1 2AL

COMPANY NUMBER 3027071
CHARITY NUMBER 1045920

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AUDITORS

Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the charity were the Trustees and the members of Senior Management Team whose names and responsibilities are listed below:

Stephen Hammersley	<i>Chief Executive Officer</i>
Maureen Sim	<i>Director of Operations</i>
Julian Hillman	<i>Director of Finance (appointed 4 December 2023)</i>
Hugh Lambourne	<i>Director of Property Services</i>
Joshua Field	<i>Director of Human Resources</i>
Alexandra Davis	<i>Director of Marketing</i>
Debbie Buggs	<i>Director of Finance (resigned 9 October 2023)</i>

PILGRIMS' FRIEND SOCIETY

Trustees' report

For the year ended 31 March 2024

The trustees present their report, together with the financial statements of the company for the year ended 31 March 2024. The trustees' report incorporates the directors' report and the strategic report prepared for the purposes of company law.

MISSION REVIEW

Our group charitable objects are to advance the Christian faith and meet the spiritual and physical needs of older people. This work is increasingly needed as the numbers of older people grow with a significant unmet need for Christian care and support and growing opportunities to share what we know about living well with older people in the communities around our homes.

Our vision is to see older people leading fulfilled lives. This means that older people know Jesus, have their physical needs met, and receive the Christian encouragement, care, and support that they need to be fruitful and productive, and live with dignity.

Our goals are to have a growing network of residential care homes and independent living housing schemes through which more people receive excellent Christian care and support, and alongside which we will develop local partnerships between our homes and housing and churches to encourage work amongst older people in the community.

Our values

We talk regularly about our values with all our stakeholders, and they are increasingly embedded in the way that we work.

Compassion is at the heart of how we interact with people. We offer loving care through relationships based on empathy respect and dignity. We get alongside people and show grace to those who are struggling and do what we can to ease people's burdens. We find new ways to care well for older people.

Community is central to human flourishing. We are a community of people who share life together, celebrating victories and supporting each other during challenging times. We share what we do and our vision for the future with others in the wider community.

Transparency is being honest and open which is crucial to doing good work. We are honest, open about challenges and looking for solutions. We listen respectfully to each other and when we disagree, we do so without conflict, and we use mistakes as opportunities to learn and grow.

Excellence is what we strive for in our work. We strive for excellence, making sure that we go above and beyond in our work. We do go the extra mile to do things as well as we possibly can. We steward our resources carefully and take opportunities to get better at the work we do.

Our work and culture

We have a bespoke approach to care which sets us apart in our provision of care for older people known as The Way We Care. At the heart this approach is the understanding that every person living with us is made in the image of God and therefore must be treated as a valued individual who has things to contribute to the life of the community within which they live.

As part of The Way We Care we call those who live with us "family members" as we create communities which are rooted in the idea of being a special kind of family together. As each new "family member" comes to live with us

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2024

their preferences and personal history is gathered and informs all aspects of their care. It also impacts the kind of activities that are delivered in the home so that each person feels comfortable and welcome in the social context.

An important aspect of The Way We Care is about how those living with dementia can flourish in our homes. We employ people whose role is to spend time with those who live with us, whether that's 30 seconds holding a hand and singing a familiar song or hymn, or five minutes looking at a family photo album.

We also employ The Way We Care Leads who have responsibility for embedding this approach throughout each home, helping carers to take person-centre approach, rather than a task-centred approach, to the delivery of care. Our Activities and Community Engagement (ACE) Programme has developed well, and we've been able to welcome more volunteers into our homes and make more connections with the communities around our homes. This has meant that visits from schools, churches, and other groups such as choirs are a regular function of life in our homes and that relationships with churches and others in the communities around our homes are stronger. Each volunteer that we train is better equipped to work well with older people in their churches and neighbourhoods.

The quality of our care remained high the year with all CQG and Local Authority reviews finding good or better care, and our own internal monitoring and carehome.co.uk reviews saying the same. Two of the homes that joined the Group did so with "Requires Improvement" assessments from CQC and they are now benefitting from our systems and training as we plan to restore their "Good" CQC rating.

During the year we strengthened our team overseeing our housing provision. We agreed a new strategy for our housing provision, and we have started to get to grips with standardising our processes and exploring how to improve our provision.

Our staff

People are the heart of what we do with our supportive and caring Christian communities not only providing a wonderful care and support for older people but also creating a great working environment for our staff.

We have continued to invest heavily in training, particularly in our care staff. The Way We Care continues to be embedded throughout our care homes through specialists known as The Way We Care Leads. Our Activity and Community Engagement Facilitators have been trained and equipped to start sharing some of what we know about living well with older people with churches and others in the community around our homes. During the year we developed this by incepting a project to involve all of our ancillary staff in living well with our family members (in what is called a "whole home approach"), and to extend our scope to include more intentionally the relatives of people living with us and people who care in the community.

We listen to our colleagues through six monthly staff surveys and follow up staff forums. We are pleased that our colleagues remain highly committed to their work and very engaged with the charity seeing as an employer that helps them give of their best. Our staff vacancies rates have reduced significantly over the year, and most of our operations are effectively fully staffed. This has been helped by recruits from overseas, all of whom have been referred to us by existing colleagues or others that we know. We have not used agencies so we can be sure that the recruitment and employment of these colleagues has been to the highest ethical standards.

We have continued to invest in our leaders through our annual Senior Management Team conference and during the year we started to encourage our managers to take spiritual development days to strengthen their capacity to support the spiritual life of their homes and housing.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) **For the year ended 31 March 2024**

Growing for the future

We want to see our unique model of Christian care widely available around the UK and this vision is encapsulated in what we call our Renewal Programme of which Middlefields House, the new home we opened in Chippenham in 2021, is the start.

We have been delighted to see how this new building, designed to support The Way We Care in family sized households has led to fulfilled living of the highest order. The home has also exceeded our financial business case assumptions and is producing a surplus that allows us to invest the quality of what we do in Chippenham and elsewhere.

During the year we have made multiple approaches for sites close to some of our older buildings seeking to replicate the success of the renewal that we managed in Chippenham. We call this our Growth and Renewal strategy. Hitherto, we have not been successful, but our search continues particularly in The South Coast area around Worthing. We are looking for sites that will allow a new build and/or the purchasing of existing operations where this will improve the quality of our buildings and support high quality care for the medium term.

In the year we have also seen growth as we have welcomed into the Group the transfer of a care home in Cumbria (Cumbria Emmaus House) and the transfer of Homesdale (Woodford Baptist Homes) Limited, a Registered Society that runs housing and care for older people in Northeast London. There are two other Christian care home charities that we are in discussion with that might lead to the gifting of assets and operations to the Group in 2024/25.

In the year we also faced significant bill for ensuring fire safety at our home in Plymouth that we were not able to justify. This led to the sale of the Bethany Home to a local operator as a going concern and we were able to ensure continuity of the Christian ethos of the home by continuing the employment of the Activity and Community Engagement Facilitator for at least a further two years. We also had to close our domiciliary care agency at Royd Court "Pilgrim Care" as we were finding it impossible to find good staff given the intermittent rotas, we were able to offer because of the size of the scheme.

We have continued to support Faith in Later Life, a charity that we incubated, and it has continued to grow now encouraging, equipping, and inspiring over 900 volunteers working in churches with older people, known as Church Champions. In communities where we don't have care homes and housing then we want to see active Faith in Later Life Church Champions pursuing our charitable objects.

During the year we were also pleased to start an initiative "Christians in Care" to support Christians working in secular care settings helping them keep going and encouraging them in their work to advance the Christian faith amongst older people.

Raising our profile

Our engagement with press, both local and national, has continued with significant media coverage showcasing the value of older people and what it's like to live with us. As an example, International Women's Day in March led to articles in Readers Digest, and references to us in Premier Christianity magazine. Articles appeared regularly in Christian print media.

Our summer campaign was targeted at future supporters in a younger demographic as we encouraged people to prepare well for older age with material presented under the heading of "Getting real About Getting Older".

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2024

We prepared a document "Empowering Communities to Care" that developed some of the themes in the archbishops "Reimagining Care Commission". During the year this attracted a lot of support from other charities and as a post balance sheet event will be used to shape policy and raise our profile.

Alongside this were regular appearances by Louise Morse and Stephen Hammersley and on Christian radio including TWR, UCB and Premier Radio, all of which highlighted our work among older Christians.

Funding challenges

The low level of Local Authority funding and significant cost inflation means that the true cost of care is often not met by Local Authorities which, partnered our determination to accept people based on need rather than the ability to pay, results in a more challenging financial trading position than we would like.

The difference between Local Authority and private pay rates has grown dramatically over recent years and erodes our financial surplus. It is hard to see us being able to carry on providing the full breadth of services that are included in The Way We Care in locations where we have large numbers of local authority funded family members unless we can increase our donations commensurately.

We continue to receive generous charitable contributions, particularly in the form of legacies, that we plan to invest in new provision for older people.

MESSAGE FROM THE CEO

There is a lot of detail in our numbers, but as in previous years this must not cloud the fact that in an immensely challenging environment, we have again delivered very high quality and distinctive Christian Care and Support to people who want to live in a Christian community.

I am immensely grateful to my colleagues who make this happen and who are an inspiration to me!

We thank God for the strong headline surplus and that we have started to improve our underlying financial performance as Middlefields House has performed well, occupancy has been strong, and as we have added new homes and housing to our portfolio.

The success of Middlefields is a great encouragement to progress our Growth and Renewal Programme, and we are working hard and trusting in God's timing for sites to repeat this process of modernising our portfolio.

Last year we have strengthened our team so that we have the capacity to help other Christian charities that are struggling with governance and other challenges of running care and housing operations. That allowed us to complete the work to take over the running of the Koinonia Christian Care home in Worthing in April 2023, and subsequently to welcome the transfer of the assets and operations of Cumbria Emmaus House. These two latter gifts have a history of profitable trading and came with significant cash assets.

There have been many encouragements as we have progressed our work to enable the Christian faith to be advanced amongst older people through our work.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) **For the year ended 31 March 2024**

FINANCIAL REVIEW

Overall performance

The charity realised a net surplus of £1,702,000 in the year compared to £7,079,000 in the previous year.

The key measure of performance used in the charity's management accounts is its earnings before interest, tax, depreciation amortisation and rent (EBITDAR).

EBITDAR for the year is reported as a surplus of £1,830,000 against a surplus of £7,324,000 the previous year.

For an overall view of The Pilgrims Friend Group please see our consolidated accounts.

STATUTORY INFORMATION

Our objects and how we seek to fulfil them

The Pilgrims Friend Group is a non-trading charitable company which is the sole corporate member of Pilgrims' Friend Society, Pilgrim Homes and Pilgrim Homes Trust. In turn, Pilgrims' Friend Society is the sole corporate member of Strathclyde House Trust. The governing document is the articles of association.

The Pilgrims' Friend Group exists to research and understand the context for the delivery of Christian Care and it sets policies and provides direction for the charities in its group. The board of this charity makes significant decisions for the running of the group. All of the Members of the Board of Trustees of The Pilgrims' Friend Group are also on the board of one or more of the Group's subsidiary entities. The trustees of the Pilgrims' Friend Group are distributed so that we have the capacity to manage conflicts of interest and receipt transaction between charities. Responsibility for the day-to-day operations of the charity is delegated to the Chief Executive and Senior Management Team of Pilgrims' Friend Society which has been the main operating charity for the group. The pay of Key Management Personnel is reviewed annually and normally increases in accordance with average earnings bearing in mind charities of similar size and activity.

Pilgrims' Friend Society and The Pilgrim Friends Group have identical objects with the primary object being "the advancement of the Christian faith and the relief of poverty, sickness, disablement, old age and infirmity for the public benefit to the glory of God". Strathclyde House Trust has similar objectives to these two charities.

The objects of Pilgrim Homes and its successor charity, Pilgrim Homes Trust are: "The relief either individually or collectively of poverty, sickness, disablement, and infirmity of older people of the Protestant Christian faith including by the provision and maintenance of residential care and housing".

Pilgrims' Friend Society advances the Christian faith by operating Christian care and housing for older people and by producing resources that inspire, encourage and equip others in their work of caring for older people.

Pilgrims' Friend Society operates all our homes and schemes in the group in the same way to ensure the same quality of Christian Care and to give us economies of scale in our operations.

Pilgrim Homes Trust (and Pilgrim Homes before it) fulfils its objects through the ownership of care homes and housing schemes which are operated on its behalf by Pilgrims' Friend Society. Pilgrim Homes Trust is the group charity building the first of our Renewal Programme homes at Chippenham (Middlefields House).

The Mission Review section of this report sets out how our work provides accommodation and care to older

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2024

people through the provision of Christian care in a residential setting to those who are over 65 and in need of such accommodation or care as a result of their age, poverty, sickness or disablement.

Our charities advance the Christian faith by ensuring that beneficiaries have every opportunity to pursue their Christian lives. Regular devotions, opportunities to pray and be supported in prayer, Christian services, Bible studies, opportunities to share fellowship and express Christian beliefs and values through crafts and activities are available in all our homes and schemes.

Domiciliary care for residents in our extra care housing scheme at Royd Court in Mirfield is provided by Pilgrim Care, part of Pilgrims' Friend Society.

The benefits of our work are people living safe and fulfilled lives in their later years when they need Christian care and support.

Pilgrims' Friend Society and Strathclyde House Trust (of which it is the sole member) provide a safe, secure environment and a Christian community with opportunities for fellowship with like-minded Christian people.

Public Benefit

The charity's trustees have considered the guidance regarding public benefit when considering and planning their objectives and activities for the year.

Employment Policies

Pilgrims' Friend Society always selects staff colleagues based on their ability to do the job on offer based on a "Person Specification" for each post. We are fully compliant with Equalities legislation and recognise our obligations, under Disability Discrimination legislation, to consider reasonable modifications to allow people living with a disability to take up employment. We have a genuine occupational requirement for some posts to be filled by Protestant Christians, who agree with our doctrinal basis, to maintain our founding Christian ethos. These issues are dealt with fully under the charity's Equal Opportunities policies.

All our homes hold regular meetings for all colleagues which are designed to impart information regarding developments within the charity and to give staff opportunity to raise issues. Where any specific proposal is likely to have a significant impact on individual members of staff, such staff are consulted in line with current legislation and good practice.

We are in regular communication with our staff colleagues on all matters relating to their terms and conditions of employment. The managers of our homes meet twice a year as the "senior team" and one of these meetings includes discussion with the trustees as to the future direction of the Society. Significant changes to the work of the Society are typically preceded by a consultation with colleagues in our homes and our volunteers sometimes involving a visit by a member of the executive team and a trustee. We encourage colleagues' involvement in the Society's performance and their awareness of the factors affecting our work through a monthly prayer bulletin that is posted on the noticeboards in all our homes and schemes.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) **For the year ended 31 March 2024**

Volunteers

Our home visitors, friends and auxiliary committees are a vital aspect of our work. As well as raising some of the finances we need they also make them go much further through their volunteering. We are particularly grateful to visitors who provide much needed comfort and company to residents and those who lead the regular acts of worship in our homes. The Charity Commission requires we state a number for these volunteers, and we estimate this to be around 425.

Related parties

The trustees of the charity consider the following to be related parties:

1. Key Management Personnel of Pilgrims' Friend Society
2. The following charities:
 - a. The Pilgrims Friend Group (TPFG) –the ultimate holding company of this Charity.
 - b. Pilgrim Homes (PH) – a fellow subsidiary of the Pilgrims Friend Group.
 - c. Pilgrim Homes Trust (PHT) – a fellow subsidiary of the Pilgrims Friend Group.
 - d. Strathclyde House Trust (SHT) – a subsidiary of this Charity.
3. PFG Trading Limited – a limited company
4. Aged Pilgrims' Friend Society Trust Limited (APFST) – a non-trading limited company which, holds title to the properties owned by Pilgrim Homes. APFST is a wholly owned subsidiary of Pilgrim Homes Trust holds title to the properties on behalf of Pilgrim Homes Trust.

Investment policy

Given the need for cash, the trustees take the view that it is better to retain the majority of the charity's funds in bank deposits, rather than investing in other classes of assets.

Principal sources of funding

The charity expects to continue to raise most of its income from fees charged to residents of its homes and by charges for its housing. The Renewal Programme will be funded by borrowing, social investment, the sale of some property assets and donations.

Accommodation charges policy

As with the other related charities, this charity sets the level of charges for accommodation in its care homes based on local market conditions. It does not discriminate against older Christians who may not have the resources to meet the costs of their own care and we accept residents whose fees are met on their behalf by local authorities, notwithstanding the shortfall that then arises. In these circumstances we seek a 'top-up' from family or friends where possible.

Fundraising

Pilgrims' Friend Society does not employ outside or commercial fund-raisers. We make sure that our supporters are kept up to date with our work and that they have the opportunity to give to support it. It issues a magazine twice a year and solicits prayer for the work of the charity. Both the magazine and the prayer updates issued by the charity may include mention of financial needs. No complaints have been received in the year about our fundraising. Pilgrims' Friend Society is registered with the Fundraising Regulator.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2024

Risks and regulations

The charity maintains a comprehensive register of risks which is reviewed by the Key Management Personnel at their monthly meetings and by trustees at every trustee meeting. Risks are rated as to both their likelihood and severity. The greatest risks faced by the Charity are:

Risk	Actions to mitigate
The charity is unable to recruit staff with the necessary skills	Apprenticeships, career paths and action plans in place. Remuneration policy. Lobbying through the National Care Forum when policy changes threaten staff availability.
Reduced occupancy in the homes means they are no longer viable	Effective occupancy marketing. Performance data monitored and acted on.
The aftermath of a pandemic or other similar event causes financial drain on the charity	Close monitoring of financial performance and cash, liquidation of illiquid investments, use of bank loans
Price inflation and supply chain delays mean that the charity is unable to provide an adequate level of care	Fixed price contracts are negotiated where possible, fee income increases take account of expected price inflation
The charity's reputation or ability to operate is impaired by data being leaked or corrupted	Standard information technology controls are in place, such as backups and access controls and we are working towards Cyber Essentials accreditation.
Pandemic or other similar event seriously impairs the charity's ability to deliver care and head office services to the homes	Contingency and continuity plans; pandemic policy.
Inflation, the cost of borrowing and other external factors mean that the Renewal Programme is not achievable.	Trends are monitored and alternative sources of funding are sought. Alternative ways of expanding the work of the charity are developed.

Reserves

The Charity holds funds of £16,938,000 at the year end. Restricted funds account for £2,949,000 of this and most of these reserves can be used to fund operational costs of a proportion of the operating entities (the Pilgrim Homes). Of the general and designated funds, £10,968,000 could only be realised by disposing of tangible fixed assets or programme related investments. This means that the reserves (that is, the part of the charity's unrestricted funds that is freely available to spend on any of the charity's purposes) is £3,021,000 a surplus of £2,021,000 against a target of £1,000,000.

Trustee recruitment and training

Trustees are appointed at a board meeting following a nomination process. Candidates must meet a strict set of specifications concerning personal competence, specialist skills, availability and Christian belief. Once the Board and new trustee decide to proceed with a formal appointment there follows an induction period to familiarise the new trustee with the charity's operations. Newly appointed trustees meet with the Chief Executive and members of the Senior Management Team to provide an introduction to the affairs of the charity, key operational methods and the current strategic plan. Trustee performance is subject to an annual review by the Chairman.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Pilgrims' Friend Society for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company 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 charitable company and of the income and expenditure, of the charitable company for that period. In preparing these 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 judgments and accounting 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, 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 trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

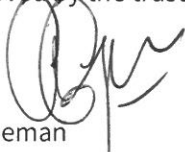
STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITORS

Jacob Cavenagh & Skeet were the charitable company'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



A Copeman
Trustee

Date: 18 July 2024

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society For the year ended 31 March 2024

OPINION

We have audited the financial statements of Pilgrims' Friend Society (the charity) for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 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 director's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2024**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report included with 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, 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 charity'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 company or to cease operations, or have no realistic alternative but to do so.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2024**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to charity financial reporting, employment, health & safety and care and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to:

- disclosure of capital commitments or provisions
- recognition of legacy income
- fraudulent extraction of cash

In response to the risks identified we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- identifying and reviewing journal entries
- discussions with management and review of legal correspondence
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2024**

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 and regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 22/7/2024

PILGRIMS' FRIEND SOCIETY

Statement of financial activities (incorporating the income and expenditure account) For the year ended 31 March 2024

	Note	2024			2023		
		Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000	Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000
Income from:							
Donations and legacies	2	1,992	168	2,160	8,371	183	8,554
Investments	3	109	4	113	1	1	2
Charitable activities	4	9,237	9,219	18,456	7,125	8,432	15,557
Other income	5	15	2	17	16	1	17
Total income		11,353	9,393	20,746	15,513	8,617	24,130
Expenditure on:							
Raising funds	6	33	8	41	27	18	45
Charitable activities	7	10,619	8,462	19,081	8,764	8,242	17,006
Total expenditure		10,652	8,470	19,122	8,791	8,260	17,051
Net gains on investments		-	78	78	-	-	-
Net income		701	1,001	1,702	6,722	357	7,079
Transfers between funds		1	(1)	-	(16)	16	-
Net movement in funds		702	1,000	1,702	6,706	373	7,079
Reconciliation of funds							
Total funds brought forward		13,287	1,949	15,236	6,581	1,576	8,157
Total funds carried forward		13,989	2,949	16,938	13,287	1,949	15,236

All the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 18 to 34 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Balance sheet As at 31 March 2024

		2024	2023
	Note	£000	£000
Fixed assets			
Tangible assets	10	7,962	7,514
Investments	11	<u>3,006</u>	<u>2,428</u>
		10,968	9,942
Current assets			
Debtors and prepayments	12	5,356	6,137
Cash equivalents on deposit		3,407	2,502
Cash at bank and in hand		<u>2,234</u>	<u>1,031</u>
		10,997	9,670
Creditors: Amounts falling due within one year	13	<u>5,027</u>	<u>4,376</u>
Net current assets		<u>5,970</u>	<u>5,294</u>
Total assets less current liabilities		<u>16,938</u>	<u>15,236</u>
Funds:	14		
Unrestricted funds	14,15	13,989	13,287
Restricted funds	16	<u>2,949</u>	<u>1,949</u>
Total Funds		<u>16,938</u>	<u>15,236</u>

The financial statements were approved by the Trustees on 18 July 2024 and signed on their behalf by:



A Copeman
Trustee

Company Registration No: 3027071

The notes on pages 18 to 34 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Statement of cash flows For the year ended 31 March 2024

	2024 £000	2023 £000
Cash flows from operating activities		
<i>Trading and donations</i>		
Net movement in funds	1,702	7,079
Depreciation	293	261
Gift of Koinonia net assets excluding cash	-	(2,307)
Gift of Melbourne Hall property	-	(1,059)
Gift of Cumbria Emmaus net assets excluding cash	(1,103)	-
Increase in legacy debtors	1,555	(4,386)
Investment income	(113)	(2)
Movement in fair value of investments	(78)	-
Loss/(gain) on disposal of fixed assets	26	(14)
Net cash provided by/(used in) trading and donations	2,282	(428)
<i>Working capital movements</i>		
(Increase)/decrease in debtors excluding legacies	(506)	1,230
Increase in creditors	645	1,326
Net cash provided by working capital movements	139	2,556
Net cash provided by operating activities	2,421	2,128
Cash flows from investing activities		
<i>Tangible fixed assets</i>		
Payments on additions of tangible fixed assets	(511)	(252)
Proceeds on disposal of Melbourne Hall	-	1,059
Proceeds on disposal of tangible fixed assets	512	27
Adjustments to fixed assets	73	-
Net cash provided by tangible fixed assets	74	834
<i>Fixed asset investments</i>		
Interests and dividends received	113	2
Payments on additions of fixed asset investments	(500)	(200)
Net cash (used in) fixed asset investments	(387)	(198)
Net cash (used in)/provided by investing activities	(313)	636
Net cash inflow	2,108	2,764
Cash and cash equivalents at 1 April 2023	3,533	769
Cash and cash equivalents at 31 March 2024	5,641	3,533

The notes on pages 18 to 34 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

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

1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in England and Wales and is governed by its Memorandum and Articles of Association. Its registered office is 175 Tower Bridge Road, London SE1 2AL.

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

1a. Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006, the Charities Act 2011 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include certain investments and financial instruments at fair value.

1b. Consolidation

This charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage of exemptions from the requirement to disclose transactions with other group undertakings.

The financial statements of the charity are consolidated in the financial statements of The Pilgrims Friend Group. These consolidated financial statements are available from its registered office at 175 Tower Bridge Road, London SE1 2AL.

1c. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1d. Tangible fixed assets

Fixed assets are recorded at historic cost. Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight-line basis:

Land	nil
Buildings	100 years
Roof	70 years
Electrics	40 years
Windows, doors, heating and plumbing	30 years
Bathrooms and lifts	20 years
Kitchens – sheltered	20 years
Boilers	15 years
Kitchens – residential	10 years
Furniture and equipment – sheltered	10 years
Hard landscaping	5 years
Motor vehicles	4 years
Computer equipment	4 years

1e. Income

Housing and care income is recognised on the basis of the period that the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

1f. Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

1g. Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

1h. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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 trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in note 18 to the financial statements.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2024

1. ACCOUNTING POLICIES (continued)

1i. Leases

Rentals payable under operating leases are dealt with on a straight-line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

1j. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1k. Investments

Investments in subsidiary charities are included at the historic cost less provisions for impairment. Listed investments are stated at fair value.

1l. Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1m. Cash and cash equivalents

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

1n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount. Concessionary loans are included at historic cost.

1o. Financial instruments

The charity only has financial assets and 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.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2024

2. DONATIONS AND LEGACIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Donations	96	168	264	267
Gift of Melbourne Hall property	-	-	-	1,059
Net assets gifted by Koinonia	-	-	-	2,434
Net assets gifted by Cumbria Emmaus	1,500	-	1,500	-
Legacies	<u>396</u>	<u>-</u>	<u>396</u>	<u>4,794</u>
	<u>1,992</u>	<u>168</u>	<u>2,160</u>	<u>8,554</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Rental of investment properties	-	-	-	1
Bank interest	<u>109</u>	<u>4</u>	<u>113</u>	<u>1</u>
	<u>109</u>	<u>4</u>	<u>113</u>	<u>2</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Care fees	9,028	8,395	17,423	14,602
Housing income	209	824	1,033	909
Covid-19 LA care grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
	<u>9,237</u>	<u>9,219</u>	<u>18,456</u>	<u>15,557</u>

5. OTHER INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Gain on disposal of fixed assets	-	-	-	14
Other sources	<u>15</u>	<u>2</u>	<u>17</u>	<u>3</u>
	<u>15</u>	<u>2</u>	<u>17</u>	<u>17</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2024

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Publicity and deputation	<u>33</u>	<u>8</u>	<u>41</u>	<u>45</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
<i>Activities split by fund:</i>				
Housing	111	697	808	912
Care	9,371	7,716	17,087	15,178
Education and training	281	24	305	216
Raising awareness	136	8	144	106
General support costs	<u>401</u>	<u>17</u>	<u>418</u>	<u>333</u>
	10,300	8,462	18,762	16,745
Depreciation	293	-	293	261
Loss on disposal of fixed assets	<u>26</u>	<u>-</u>	<u>26</u>	<u>-</u>
	<u>10,619</u>	<u>8,462</u>	<u>19,081</u>	<u>17,006</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2024

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Analysis by activity:	Housing £000	Care £000	Education & training £000	Raising awareness £000	General support £000	Total 2024 £000	Total 2023 £000
Salaries and wages	190	11,080	196	66	1,986	13,518	12,164
Food	113	734	-	-	-	847	776
Administrative expenses	29	511	15	-	612	1,167	1,141
Repairs and maintenance	150	957	-	-	-	1,107	1,145
Heat and light	84	529	-	-	-	613	524
Other expenses	55	830	94	78	-	1,057	821
Professional fees	-	3	-	-	483	486	204
Governance costs: auditor's fees	-	-	-	-	22	22	25
Allocated administrative costs	187	2,443	-	-	(2,685)	(55)	(55)
	808	17,087	305	144	418	18,762	16,745
Buildings depreciation	26	132	-	-	-	158	149
General depreciation	5	109	-	-	21	135	112
Loss on disposal	-	-	-	-	26	26	-
	839	17,328	305	144	465	19,081	17,006

During the year the auditors were paid £6,000 for accountancy services (2023: £21,000).

Support costs (less allocated administrative costs):

Staff costs	1,986	1,559
Depreciation	21	25
Professional fees	505	223
Loss on disposal	26	-
Other administrative expenses	612	564
	<u>3,150</u>	<u>2,371</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2024

8. STAFF COSTS

	2024 £000	2023 £000
Wages and salaries	11,414	9,584
Social security costs	873	705
Pension costs	383	386
Agency staff costs	848	1,489
	<u>13,518</u>	<u>12,164</u>

Redundancy payments totalling £43,731 (2023: £nil) are included above.

The average number of staff employed in the period on a headcount basis was:

	No	No
Homes	586	529
Head Office	<u>41</u>	<u>42</u>
	<u>627</u>	<u>571</u>

The average number of staff employed in the period on a full-time equivalent basis was:

	No	No
Homes	462	397
Head Office	<u>40</u>	<u>38</u>
	<u>502</u>	<u>435</u>

The emoluments of ten employees exceeded £60,000 in the year ended 31 March 2024 (2023: five). Four of those employees earned between £60,000 and £70,000, three earned between £70,000 and £80,000, one earned between £80,000 and £90,000, one earned between £90,000 and £100,000 and one earned between £110,000 and £120,000 including redundancy pay (2023: three between £60,000 and £70,000, one between £80,000 and £90,000 and one between £90,000 and £100,000).

Remuneration of £1,574 (2023: £3,044) was paid to one trustee, Mr Martyn Hallett during the year for employment as pastoral co-ordinator on a part time basis. Mr Hallett started this paid role on 1 March 2020, before he was appointed as a trustee in October 2022. Continued employment is in accordance with Clause 4 of the Articles of Association of the Charity and consent given by the Charity Commission. No remuneration was paid to any other trustee during the year. Travel expenses of £343 (2023: £1,180) were reimbursed to 3 trustees (2023: 4 trustees) for items incurred wholly, exclusively and necessarily in the course of the charity's activities.

The total aggregate remuneration of Key Management Personnel for the year was £532,785 (2023: £496,272).

The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) paid to family members of the trustees was £64,391 (2023: £58,884).

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2024

9. NET INCOME

	2024 £000	2023 £000
This is stated after charging:		
Depreciation	293	261
Loss/(gain) on disposal of fixed assets	26	(14)
Auditors' remuneration for audit services	22	25
Auditors' remuneration for other services	<u>6</u>	<u>21</u>

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Furniture, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
As at 1 April 2023	8,549	1,438	110	10,097
Additions	331	74	106	511
Adjustments from acquisitions	1,625	392	6	2,203
Disposals	(705)	(116)	-	(821)
As at 31 March 2024	<u>9,800</u>	<u>1,788</u>	<u>222</u>	<u>11,810</u>
Depreciation				
As at 1 April 2023	1,793	734	56	2,583
Charge for the year	158	98	37	293
Adjustments from acquisitions	875	373	7	1,255
Released on disposals	(206)	(77)	-	(283)
As at 31 March 2024	<u>2,620</u>	<u>1,128</u>	<u>100</u>	<u>3,848</u>
Net book value				
As at 31 March 2024	<u>7,180</u>	<u>660</u>	<u>122</u>	<u>7,962</u>
As at 31 March 2023	<u>6,756</u>	<u>704</u>	<u>54</u>	<u>7,514</u>

	2024 £000	2023 £000
At cost or donated value:		
Bethany Christian Home, Plymouth	-	605
Ernest Luff Care Home, Walton-on-the-Naze	2,419	2,265
Ernest Luff Housing, Walton-on-the-Naze	1,590	1,611
Emmaus Care Home, Harrogate	1,162	889
Permanent landscape, Ernest Luff Care Home	34	34
Koinonia Christian Care, Worthing	2,033	2,015
Carey Gardens, Kirby Muxloe	1,278	1,130
Emmaus House, Whitehaven, Cumbria	<u>1,284</u>	-
	<u>9,800</u>	<u>8,549</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2024

11. INVESTMENTS

	Listed investments £000	Unlisted investments £000	Total £000
Valuation			
As at 1 April 2023	200	2,228	2,428
Additions	500	-	500
Disposals	-	-	-
Revaluation	<u>78</u>	<u>-</u>	<u>78</u>
As at 31 March 2024	<u>778</u>	<u>2,228</u>	<u>3,006</u>
Historic cost			
As at 31 March 2024	<u>700</u>	<u>2,228</u>	<u>2,928</u>

The closing balance of unlisted investments related to the charity's 100% controlling interest in Strathclyde House Trust Limited, a charitable company registered in Scotland.

12. DEBTORS AND PREPAYMENTS

	2024 £000	2023 £000
Arrears of local authority and residents' contribution	202	196
Amounts due from group entities	1,109	655
Amounts owed from Pilgrim Garden service charge	39	4
Amounts owed from Royd Court service charge	252	125
Amounts owed from Strathclyde service charge	355	347
Other debtors and prepayments	<u>3,399</u>	<u>4,810</u>
	<u>5,356</u>	<u>6,137</u>

13. CREDITORS AND ACCRUALS: amounts falling due within one year

	2024 £000	2023 £000
Short term loans	115	165
Trade creditors	236	343
Taxation and social security	197	143
Amounts due to group entities	3,191	2,928
Other creditors and accruals	<u>1,288</u>	<u>797</u>
	<u>5,027</u>	<u>4,376</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2024

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds (note 15)	Restricted Funds - general (note 16b)	Restricted Funds - Pilgrim Homes (note 16a)	Total Funds
2024	£000	£000	£000	£000	£000
Fixed assets					
Tangible	6,670	-	-	1,292	7,962
Investments	2,228	-	-	778	3,006
Current assets	10,118	-	123	756	10,997
Current liabilities	(5,027)	—	—	—	(5,027)
Total Net Assets	<u>13,989</u>	<u>—</u>	<u>123</u>	<u>2,826</u>	<u>16,938</u>
2023					
Fixed assets					
Tangible	7,514	-	-	-	7,514
Investments	-	2,228	-	200	2,428
Current assets	7,921	-	118	1,631	9,670
Current liabilities	(4,376)	—	—	—	(4,376)
Total Net Assets	<u>11,059</u>	<u>2,228</u>	<u>118</u>	<u>1,831</u>	<u>15,236</u>

15. DESIGNATED FUNDS

	Brought forward at 1 April 2023	Income	Expenditure	Revaluations and transfers	Carried forward at 31 March 2024
2024	£000	£000	£000	£000	£000
Strathclyde House Trust	<u>2,228</u>	—	—	(2,228)	—
	<u>2,228</u>	<u>—</u>	<u>—</u>	<u>(2,228)</u>	<u>—</u>
2023					
Strathclyde House Trust	<u>2,228</u>	—	—	—	<u>2,228</u>
	<u>2,228</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,228</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2024

16. a) RESTRICTED FUNDS – PILGRIM HOMES

2024	Brought forward at 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2024 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	1,687	9,298	(8,394)	99	2,690
<i>Pilgrim Homes Restricted Funds</i>					
St Albans	85	-	-	-	85
Homes Voluntary Support Funds (see note 16c)	59	39	(26)	(21)	51
Total restricted funds – Pilgrim Homes	1,831	9,337	(8,420)	78	2,826
16. b) RESTRICTED FUNDS – GENERAL					
Faith in Later Life	-	40	(40)	-	-
Homes Voluntary Support Funds (see note 16c)	89	5	-	(1)	93
Local Homes Project Funds	21	10	(10)	-	21
Dementia Fund	8	1	-	-	9
Total restricted funds - general	118	56	(50)	(1)	123

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2024

16. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2024	Brought forward at 1 April 2023	Income	Expenditure	Transfers	Carried forward at 31 March 2024
	£000	£000	£000	£000	£000
Funds restricted by Pilgrim Homes articles					
Great Finborough	-	2	(1)	(1)	-
Evington	-	15	(2)	(7)	6
Tunbridge Wells	18	2	-	(3)	17
Wantage	23	16	(23)	(1)	15
Shottermill	17	4	-	(8)	13
Bedford	<u>1</u>	-	-	(<u>1</u>)	-
	59	39	(26)	(21)	51
Other restricted funds					
Emmaus House	5	1	-	-	6
Koinonia	-	1	-	(1)	-
Kirby Muxloe	79	-	-	-	79
Middlefields	<u>5</u>	3	-	-	<u>8</u>
	89	5	-	(1)	93
Total Homes Voluntary Support Funds	<u>148</u>	<u>44</u>	(<u>26</u>)	(<u>22</u>)	<u>144</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2024

17. a) RESTRICTED FUNDS – PILGRIM HOMES (comparatives)

2023	Brought forward at 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2023 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	1,293	8,447	(8,123)	70	1,687
<i>Pilgrim Homes Restricted Funds</i>					
St Albans	85	-	-	-	85
Homes Voluntary Support Funds (see note 17c)	87	41	-	(69)	59
Total restricted funds – Pilgrim Homes	1,465	8,488	(8,123)	1	1,831

17. b) RESTRICTED FUNDS – GENERAL (comparatives)

Faith in Later Life	10	70	(80)	-	-
Homes Voluntary Support Funds (see note 17c)	14	9	(14)	80	89
Local Homes Project Funds	15	3	3	-	21
Carey Gardens	65	-	-	(65)	-
Covid-19 LA Grants Fund	-	46	(46)	-	-
Dementia Fund	7	1	-	-	8
Total restricted funds - general	111	129	(137)	15	118

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2024

17. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS (comparatives)

2023	Brought forward at 1 April 2022	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2023 £000
Funds restricted by Pilgrim Homes articles					
Chippenham	3	-	-	(3)	-
Great Finborough	52	6	-	(58)	-
Evington	3	4	-	(7)	-
Tunbridge Wells	4	14	-	-	18
Wantage	7	16	-	-	23
Shottermill	17	1	-	(1)	17
Bedford	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
	87	41	-	(69)	59
Other restricted funds					
Ernest Luff Care	1	-	-	(1)	-
Bethany Christian Home	2	2	-	(4)	-
Emmaus House	2	3	-	-	5
Florence House	2	-	-	(2)	-
Koinonia	-	1	-	(1)	-
Kirby Muxloe	5	-	(14)	88	79
Middlefields	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>5</u>
	14	9	(14)	(80)	89
Total Homes Voluntary Support Funds	<u>101</u>	<u>50</u>	<u>(14)</u>	<u>11</u>	<u>148</u>

All Homes Voluntary Support Funds are restricted funds. Income received represents donations received for work at individual care homes and all expenditure is for the benefit of the ongoing work of the specific home. Where a home is lossmaking, at the end of the year the balance on the support fund is transferred to the general fund of the charity to assist in defraying the losses.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2024

18. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS

Designated Funds

Strathclyde House Trust Fund

This was earmarked by trustees to represent the value of the investment recognised for Strathclyde House Trust. It was decided that this was no longer useful and therefore the balance of this fund was transferred to the General Fund.

Restricted Funds

Pilgrim Homes Fund

This heading includes both the reserves of Pilgrim Homes and the Pilgrim Homes Restricted Fund within Pilgrims' Friend Society, which were transferred to Pilgrim Homes Trust on 31 March 2020.

St Albans and Lucy McNeil Home Funds

These funds relate to the receipt of donations and the proceeds of various fundraising activities for the purpose of establishing new homes.

Faith in Later Life

This represents donations from the Outlook Trust, this charity and a number of partner charities for use towards the costs of the 'Faith in Later Life' initiative mentioned in the Trustees' report. This initiative is in the course of being incorporated as a separate charity and following incorporation the balance of funds held will be transferred to this new charity.

Local Homes Project Funds

These represent the amounts raised and spent by local homes towards specific locally agreed initiatives within specific homes.

Dementia Fund

This fund is utilised to assist in meeting the costs of new initiatives to better look after our residents with dementia.

Homes Voluntary Support Funds

Homes Voluntary support funds represent donations made by supporters for the purpose of improving care at specific homes. These funds are also available, in the event of a home making a trading loss in a financial year, to reduce the loss sustained.

Covid grants

This relates to grants received by local authorities to deal with increased costs of dealing with the pandemic (e.g. staff and personal protective equipment).

Carey Gardens

This represents a donation to fund substantial capital improvements at Carey Gardens, as a supplement to the sinking fund contributions paid by residents.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2024

19. LEASING COMMITMENTS

Operating leases

The charitable company's total future minimum lease payments under operating leases at 31 March 2024 were payable as set out below:

	2024 £000	2023 £000
Within one year	38	50
Within two to five years	<u>42</u>	<u>63</u>
	<u>80</u>	<u>113</u>

The operating lease charges for the year were:

	2024 £000	2023 £000
Land and buildings	60	97
Hire of plant and machinery	<u>41</u>	<u>51</u>
	<u>101</u>	<u>148</u>

The lease over 175 Tower Bridge Road, London expired on 31 December 2014. Since that date the charity has continued to pay rent at the existing annual rate of £67,000. The charity is required to give 3 months' notice under Section 27 of the Landlord & Tenant Act 1954 to vacate the premises.

20. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the pension funds. There were contributions of £75,000 due to the fund at the period end (2023: £61,000).

The Society also makes a small number of *ex gratia* pension payments to former employees. The annual commitment to make these payments has been reducing over the past few years and currently stands at around £3,000 per annum. A few years ago, the trustees considered whether to accrue for this liability but, given the amounts payable, the age of those receiving a pension and the complexity of determining an appropriate reserve, no provision was made.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) **For the year ended 31 March 2024**

21. RELATED PARTY TRANSACTIONS

The Pilgrims Friend Group is the ultimate controlling charity of the group, whose principal activity is to run Christian care homes. It is a charitable company limited by guarantee incorporated in England and Wales. Its registered office is 175 Tower Bridge Road, London SE1 2AL. Company number: 07169875. Charity number: 1134979.

The charity is a subsidiary of The Pilgrims Friend Group by virtue of that charity being the sole member of Pilgrims' Friend Society with the right to appoint directors. Transactions with The Pilgrims Friend Group and its other group undertakings are not disclosed as consolidated financial statements for the group are publicly available.

Details of trustees' and key management personnel and remuneration are disclosed in note 8 to the financial statements.

There are no other related party transactions.

22. COMPANY LIMITED BY GUARANTEE

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Accounts

PILGRIMS' FRIEND SOCIETY

Financial Statements

For the year ended 31 March 2023

COMPANY NUMBER 3027071

CHARITY NUMBER 1045920

PILGRIMS' FRIEND SOCIETY

Contents of the financial statements For the year ended 31 March 2023

Page

1	Trustees' report – statutory information
2 - 9	Trustees' report
10 - 13	Independent auditor's report
14	Statement of financial activities
15	Balance sheet
16	Statement of cash flows
17 - 33	Notes to the financial statements

PILGRIMS' FRIEND SOCIETY

Trustees' report – statutory information For the year ended 31 March 2023

DIRECTORS AND TRUSTEES

Alan Copeman
Genefer Espejo
Robin Turnbull
Martyn Hallett (6 October 2022 to 19 June 2023)

Bryan Jarvis (Chairman)
Max Robinson
Sheila Warnes (appointed 9 June 2022)

COMPANY SECRETARY

Debbie Buggs

REGISTERED OFFICE

175 Tower Bridge Road
London
SE1 2AL

COMPANY NUMBER 3027071
CHARITY NUMBER 1045920

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AUDITORS

Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the charity were the Trustees and the members of Senior Management Team whose names and responsibilities are listed below:

Stephen Hammersley	<i>Chief Executive Officer</i>
Maureen Sim	<i>Director of Operations</i>
Debbie Buggs	<i>Director of Finance and Company Secretary</i>
Andy Walsh	<i>Director of Property Services</i>
Joshua Field	<i>Director of Human Resources</i>
Alexandra Davis	<i>Director of Marketing</i>

PILGRIMS' FRIEND SOCIETY

Trustees' report

For the year ended 31 March 2023

The trustees present their report, together with the financial statements of the company for the year ended 31 March 2023. The trustees' report incorporates the directors' report and the strategic report prepared for the purposes of company law.

MISSION REVIEW

Our vision is to see older people leading fulfilled lives. This means that older people know Jesus, have their physical needs met, and receive the Christian encouragement, care, and support that they need to be fruitful, productive, and have dignity.

Our goals are to have a growing network of residential care homes and independent living housing schemes through which more people receive excellent Christian care and support, and alongside which we will develop local partnerships between our homes and housing and churches to encourage work amongst older people in the community.

Our values

Compassion is at the heart of how we interact with people. We offer loving care through relationships based on empathy respect and dignity. We get alongside people and show grace to those who are struggling and do what we can to ease people's burdens. We find new ways to care well for older people.

Community is central to human flourishing. We are a community of people who share life together, celebrating victories and supporting each other during challenging times. We share what we do and our vision for the future with others in the wider community.

Transparency is being honest and open which is crucial to doing good work. We are honest, open about challenges and looking for solutions. We listen respectfully to each other and when we disagree, we do so without conflict, and we use mistakes as opportunities to learn and grow.

Excellence is what we strive for in our work. We strive for excellence, making sure that we go above and beyond in our work. We do go the extra mile to do things as well as we possibly can. We steward our resources carefully and take opportunities to get better at the work we do.

Our work and culture:

Over recent years we have worked hard to embed three key features in our work and culture: our values, our bespoke approach to living with older people, The Way We Care, and our Activities and Community Engagement Programme.

After launching our values in 2021, we have seen them being embedded across our workforce as they have provided a great framework for establishing a culture which is compassionate, community-orientated, transparent, and striving for excellence. This structure empowers teams and individuals to make really good decisions, interact well with each other, and have a clear common sense of what is expected of themselves and each other.

The values are frequently referenced in staff communications and can form a basis for team training and development. They are now embedded in staff appraisals and surveys, encouraging each team member to consider how they are embodying the values as well as finding new ways to root them in personal and corporate practice.

"The values are a really helpful tool for encouraging our teams to work well together, especially as we rise to challenges and resolve conflict." Karen, Business Manager at Finborough Court

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2023

The Way We Care is the Pilgrims' Friend Society bespoke approach to care which sets us apart as providers of care for older people. At the heart of The Way We Care is the understanding that every person living with us is made in the image of God and therefore must be treated as a valued individual who has things to contribute to the life of the community within which they live.

As part of The Way We Care we call those who live with us "family members" as we create communities which are rooted in the idea of being a special kind of family together. As each new "family member" comes to live with us their preferences and personal history is gathered and informs all aspects of their care. It also impacts the kind of activities that are delivered in the home so that each person feels comfortable and welcome in the social context.

An important aspect of The Way We Care is about how those living with dementia can flourish in our homes. We employ Hummingbirds specifically to spend time with those who live with us, whether that's 30 seconds holding a hand and singing a familiar song or hymn, or five minutes looking at a family photo album.

During 2022-2023 we have employed more The Way We Care Leads who have responsibility for embedding this approach throughout the home, helping carers to take person-centre approach, rather than a task-centred approach, to the delivery of care.

"It's important for the people living here to still have a purpose so that they feel they can contribute to the home and the world around them." Jeanette, Registered Care Manager at Evington

Our Activities and Community Engagement (ACE) Programme has flourished this year as the impact of Covid-19 has receded and we've been able to welcome more volunteers into our homes and make more connections with the communities around our homes. This has meant that visits from schools, churches, and other groups such as choirs are a regular function of life in our homes and that our ACE Facilitators have been able to get out and about more in their local communities.

In January, Lunar New Year was marked with a visit from a local school at Bethany Christian Home in Plymouth, and in February the worship group from Trinity Church in Chippenham led a time of worship at the Harvest Coffee Shop, part of Middlefields House. In March, our home in Walton-on-the-Naze, Luff House welcomed a local group of scouts for a session of games and activities.

Our staff

People are at the heart of what we do with our supportive and caring Christian communities not only provide wonderful care and support for older people but also create a great working environment for our staff.

"Nothing ever seems too much trouble for the staff respecting care for my mother, and it is very reassuring to know that she is in extremely safe hands in a lovely Christian environment in these latter years of her life." Daughter of family member at Koinonia

In recognising the extraordinary value of our staff, we have invested heavily in training and recruitment, particularly in our care staff. The Way We Care continues to be embedded throughout our care homes with a number of The Way We Care Leads being recruited to champion it within the home.

"All the training and opportunities I've had has helped me to care for the family at Framland even better, which is what I love." Nicole, The Way We Care Lead at Framland

Investment in recruitment has meant that staff vacancies rates have reduced significantly over the year, providing some helpful respite from the pressures of finding the right people and reducing agency costs. We have also

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2023

invested in platforms such as Perkbox and CareFriends in order to reward staff and incentivise them to champion Pilgrims' Friend Society as an employer.

We have made leadership development a key area of investment for our Senior Management Team and have made progress in integrating technological systems which streamline systems throughout the organisation.

Growing for the future

We want to see our unique model of Christian care replicated and repeated around the UK which is why we retain our ambitious vision for the future of Pilgrims' Friend Society. This vision is encapsulated in our Renewal Programme of which Middlefields House is the first of our new homes, replacing our old home in Chippenham with a new larger facility specifically designed to support and enable The Way We Care. It has proved to be an operational and financial success and the quality of care it has delivered has been a highlight of the year as the model of 12 family members in four households enhances the way older people can live safely in small communities.

Our plans for our next new home in this model stalled during the year due to challenges in finding the right location on which to build. However, we remain committed to this enlarged vision of care in the long term and have relaunched our Growth and Renewal Programme in order to deliver it.

This programme also gives us an opportunity to support smaller operations which are no longer viable, such as the Melbourne Hall Home Trust who gifted us their property in return for operational support which enabled them to close well in late 2021. It also means that we are investing internally in capacity and resourcing in order to be able to support more operations experiencing considerable challenges, either through partnerships or through potential acquisitions.

Raising our profile

Our engagement with press, both local and national, has flourished this year with a record-breaking number of pieces of coverage being delivered which have allowed us to showcase both what it's like to live with us and the Pilgrims' Friend Society mission to support older people more widely.

During the heatwave of Summer 2022 our home in Wantage, Framland, had a visit from the regional ITV crew who reported on how those who live with us were being kept cool in the heat. To mark International Day of Grandparents in July, one of our carers at Emmaus House in Harrogate spoke to BBC Radio York about how important his relationships with residents at the home are. In November Derek, who lives at Finborough Court in Suffolk, was featured by BBC Look East as he shared his memories for Remembrance Day and at Christmas two local television crews filmed our intergenerational nativity at Bethany Christian Home in Plymouth.

Alongside this were regular appearances by Stephen Hammersley and Louise Morse on Christian radio including TWR, UCB and Premier, all of which highlighted our work among older Christians.

Funding challenges

Pilgrims' Friend Society is operationally sound but our desire to do more than simply provide the basics of care for older people means that we do need to seek more funding where we can. As is well documented, the low level of Local Authority funding means that the true cost of care is often not met which, partnered with cost inflation, results in a more challenging financial trading position than we would like.

We continue to receive generous charitable contributions, particularly in the form of legacies, and have begun investing more heavily in this work with a Head of Fundraising beginning work towards the end of the year. We anticipate that a greater focus on this function will positively contribute to our charitable income over the next three years.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2023

FINANCIAL REVIEW

Overall performance

The charity realised a net surplus of £7,079,000 in the year compared to a net loss of £390,000 in the previous year.

The key measure of performance used in the charity's management accounts is its earnings before interest, tax, depreciation amortisation and rent (EBITDAR).

EBITDAR for the year is reported as a surplus of £7,340,000 against a loss of £104,000 the previous year.

STATUTORY INFORMATION

Our objects and how we seek to fulfil them

The Pilgrims Friend Group is a non-trading charitable company which is the sole corporate member of Pilgrims' Friend Society, Pilgrim Homes and Pilgrim Homes Trust. In turn, Pilgrims' Friend Society is the sole corporate member of Strathclyde House Trust. The governing document is the articles of association.

The Pilgrims' Friend Group exists to research and understand the context for the delivery of Christian Care and it sets policies and provides direction for the charities in its group. The board of this charity makes significant decisions for the running of the group. All of the Members of the Board of Trustees of The Pilgrims' Friend Group are also on the board of one or more of the Group's subsidiary entities. The trustees of the Pilgrims' Friend Group are distributed so that we have the capacity to manage conflicts of interest and receipt transaction between charities. Responsibility for the day-to-day operations of the charity is delegated to the Chief Executive and Senior Management Team of Pilgrims' Friend Society which has been the main operating charity for the group. The pay of Key Management Personnel is reviewed annually and normally increases in accordance with average earnings bearing in mind charities of similar size and activity.

Pilgrims' Friend Society and The Pilgrim Friends Group have identical objects with the primary object being "the advancement of the Christian faith and the relief of poverty, sickness, disablement, old age and infirmity for the public benefit to the glory of God". Strathclyde House Trust has similar objectives to these two charities.

The objects of Pilgrim Homes and its successor charity, Pilgrim Homes Trust are: "The relief either individually or collectively of poverty, sickness, disablement, and infirmity of older people of the Protestant Christian faith including by the provision and maintenance of residential care and housing".

Pilgrims' Friend Society advances the Christian faith by operating Christian care and housing for older people and by producing resources that inspire, encourage and equip others in their work of caring for older people.

Pilgrims' Friend Society operates all our homes and schemes in the group in the same way to ensure the same quality of Christian Care and to give us economies of scale in our operations.

Pilgrim Homes Trust (and Pilgrim Homes before it) fulfils its objects through the ownership of care homes and housing schemes which are operated on its behalf by Pilgrims' Friend Society. Pilgrim Homes Trust is the group charity building the first of our Renewal Programme homes at Chippenham (Middlefields House).

The Annual Review section of this report sets out how our work provides accommodation and care to older people through the provision of Christian care in a residential setting to those who are over 65 and in need of such accommodation or care as a result of their age, poverty, sickness or disablement.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2023

Our charities advance the Christian faith by ensuring that beneficiaries have every opportunity to pursue their Christian lives. Regular devotions, opportunities to pray and be supported in prayer, Christian services, Bible studies, opportunities to share fellowship and express Christian beliefs and values through crafts and activities are available in all our homes and schemes.

Domiciliary care for residents in our extra care housing scheme at Royd Court in Mirfield is provided by Pilgrim Care, part of Pilgrims' Friend Society.

The benefits of our work are people living safe and fulfilled lives in their later years when they need Christian care and support.

Pilgrims' Friend Society and Strathclyde House Trust (of which it is the sole member) provide a safe, secure environment and a Christian community with opportunities for fellowship with like-minded Christian people.

Public Benefit

The charity's trustees have considered the guidance regarding public benefit when considering and planning their objectives and activities for the year.

Employment Policies

Pilgrims' Friend Society always selects staff colleagues based on their ability to do the job on offer based on a "Person Specification" for each post. We are fully compliant with Equalities legislation and recognise our obligations, under Disability Discrimination legislation, to consider reasonable modifications to allow people living with a disability to take up employment. We have a genuine occupational requirement for some posts to be filled by Protestant Christians, who agree with our doctrinal basis, to maintain our founding Christian ethos. These issues are dealt with fully under the charity's Equal Opportunities policies.

All our homes hold regular meetings for all colleagues which are designed to impart information regarding developments within the charity and to give staff opportunity to raise issues. Where any specific proposal is likely to have a significant impact on individual members of staff, such staff are consulted in line with current legislation and good practice.

We are in regular communication with our staff colleagues on all matters relating to their terms and conditions of employment. The managers of our homes meet twice a year as the "senior team" and one of these meetings includes discussion with the trustees as to the future direction of the Society. Significant changes to the work of the Society are typically preceded by a consultation with colleagues in our homes and our volunteers sometimes involving a visit by a member of the executive team and a trustee. We encourage colleagues' involvement in the Society's performance and their awareness of the factors affecting our work through a monthly prayer bulletin that is posted on the noticeboards in all our homes and schemes.

Volunteers

Our home visitors, friends and auxiliary committees are a vital aspect of our work. As well as raising some of the finances we need they also make them go much further through their volunteering. We are particularly grateful to visitors who provide much needed comfort and company to residents and those who lead the regular acts of worship in our homes. The Charity Commission requires we state a number for these volunteers, and we estimate this to be around 200.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2023

Related parties

The trustees of the charity consider the following to be related parties:

1. Key Management Personnel of Pilgrims' Friend Society
2. The following charities:
 - a. The Pilgrims Friend Group (TPFG) –the ultimate holding company of this Charity.
 - b. Pilgrim Homes (PH) – a fellow subsidiary of the Pilgrims Friend Group.
 - c. Pilgrim Homes Trust (PHT) – a fellow subsidiary of the Pilgrims Friend Group.
 - d. Strathclyde House Trust (SHT) – a subsidiary of this Charity.
3. PFG Trading Limited – a limited company
4. Aged Pilgrims' Friend Society Trust Limited (APFST) – a non-trading limited company which, holds title to the properties owned by Pilgrim Homes. APFST is a wholly owned subsidiary of Pilgrim Homes Trust holds title to the properties on behalf of Pilgrim Homes Trust.

Investment policy

Given the need for cash, the trustees take the view that it is better to retain the majority of the charity's funds in bank deposits, rather than investing in other classes of assets.

Principal sources of funding

The charity expects to continue to raise most of its income from fees charged to residents of its homes and by charges for its housing. The Renewal Programme will be funded by borrowing, social investment, the sale of some property assets and donations.

Accommodation charges policy

As with the other related charities, this charity sets the level of charges for accommodation in its care homes based on local market conditions. It does not discriminate against older Christians who may not have the resources to meet the costs of their own care and we accept residents whose fees are met on their behalf by local authorities, notwithstanding the shortfall that then arises. In these circumstances we seek a 'top-up' from family or friends where possible.

Fundraising

Pilgrims' Friend Society does not employ outside or commercial fund-raisers. We make sure that our supporters are kept up to date with our work and that they have the opportunity to give to support it. It issues a magazine twice a year and solicits prayer for the work of the charity. Both the magazine and the prayer updates issued by the charity may include mention of financial needs. No complaints have been received in the year about our fundraising. Pilgrims' Friend Society is registered with the Fundraising Regulator.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2023

Risks and regulations

The charity maintains a comprehensive register of risks which is reviewed by the Key Management Personnel at their monthly meetings and by trustees at every trustee meeting. Risks are rated as to both their likelihood and severity. The greatest risks faced by the Charity are:

Risk	Actions to mitigate
The charity is unable to recruit staff with the necessary skills	Apprenticeships, career paths and action plans in place. Remuneration policy. Lobbying through the National Care Forum when policy changes threaten staff availability.
Reduced occupancy in the homes means they are no longer viable	Effective occupancy marketing. Performance data monitored and acted on.
The aftermath of a pandemic or other similar event causes financial drain on the charity	Close monitoring of financial performance and cash, liquidation of illiquid investments, use of bank loans
Price inflation and supply chain delays mean that the charity is unable to provide an adequate level of care	Fixed price contracts are negotiated where possible, fee income increases take account of expected price inflation
The charity's reputation or ability to operate is impaired by data being leaked or corrupted	Standard information technology controls are in place, such as backups and access controls and we are working towards Cyber Essentials accreditation.
Pandemic or other similar event seriously impairs the charity's ability to deliver care and head office services to the homes	Contingency and continuity plans; pandemic policy.
Inflation, the cost of borrowing and other external factors mean that the Renewal Programme is not achievable.	Trends are monitored and alternative sources of funding are sought. Alternative ways of expanding the work of the charity are developed.

Reserves

The Charity holds funds of £15,236,000 at the year end. Restricted funds account for £1,949,000 of this and most of these reserves can be used to fund operational costs of a proportion of the operating entities (the Pilgrim Homes). Of the general and designated funds, £9,942,000 could only be realised by disposing of tangible fixed assets or programme related investments. This means that the reserves (that is, the part of the charity's unrestricted funds that is freely available to spend on any of the charity's purposes) is £3,345,000 a surplus of £2,545,000 against a target of £1,000,000.

Trustee recruitment and training

Trustees are appointed at a board meeting following a nomination process. Candidates must meet a strict set of specifications concerning personal competence, specialist skills, availability and Christian belief. Once the Board and new trustee decide to proceed with a formal appointment there follows an induction period to familiarise the new trustee with the charity's operations. Newly appointed trustees meet with the Chief Executive and members of the Senior Management Team to provide an introduction to the affairs of the charity, key operational methods and the current strategic plan. Trustee performance is subject to an annual review by the Chairman.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Pilgrims' Friend Society for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company 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 charitable company and of the income and expenditure, of the charitable company for that period. In preparing these 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 judgments and accounting 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, 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 trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITORS

Jacob Cavenagh & Skeet were the charitable company'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

Bryan Jarvis

Mr B Jarvis (Chairman)

Date: 20/7/23

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society For the year ended 31 March 2023

OPINION

We have audited the financial statements of Pilgrims' Friend Society (the charity) for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2023 and of its incoming resources and application of resources 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 director's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2023**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report included with 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, 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 charity'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 company or to cease operations, or have no realistic alternative but to do so.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2023**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to charity financial reporting, employment, health & safety and care and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to:

- disclosure of capital commitments or provisions
- recognition of legacy income
- fraudulent extraction of cash

In response to the risks identified we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- identifying and reviewing journal entries
- discussions with management and review of legal correspondence
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) For the year ended 31 March 2023

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 and regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

P Newton

Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 20/7/23

PILGRIMS' FRIEND SOCIETY

Statement of financial activities (incorporating the income and expenditure account) For the year ended 31 March 2023

		2023			2022		
		Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000	Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000
	Note						
Income from:							
Donations and legacies	2	8,371	183	8,554	203	299	502
Investments	3	1	1	2	-	6	6
Charitable activities	4	7,125	8,432	15,557	3,889	8,556	12,445
Other income	5	16	1	17	70	3	73
Total income		15,513	8,617	24,130	4,162	8,864	13,026
Expenditure on:							
Raising funds	6	27	18	45	22	3	25
Charitable activities	7	8,764	8,242	17,006	5,542	7,849	13,391
Total expenditure		8,791	8,260	17,051	5,564	7,852	13,416
Net income/(expenditure)		6,722	357	7,079	(1,402)	1,012	(390)
Transfers between funds		(16)	16	-	1	(1)	-
Net movement in funds		6,706	373	7,079	(1,401)	1,011	(390)
Reconciliation of funds							
Total funds brought forward		6,581	1,576	8,157	7,982	565	8,547
Total funds carried forward		13,287	1,949	15,236	6,581	1,576	8,157

All the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 17 to 33 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Balance sheet

As at 31 March 2023

		2023		2022	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	10		7,514		5,482
Investments	11		<u>2,428</u>		<u>2,228</u>
			9,942		7,710
Current assets					
Debtors and prepayments	12	6,137		2,728	
Cash equivalents on deposit		2,502		-	
Cash at bank and in hand		<u>1,031</u>		<u>769</u>	
		9,670		3,497	
Creditors: Amounts falling due within one year	13	<u>4,376</u>		(3,050)	
Net current assets			<u>5,294</u>		<u>447</u>
Total assets less current liabilities			<u>15,236</u>		<u>8,157</u>
Funds:	14				
Unrestricted funds	14,15		13,287		6,581
Restricted funds	16		<u>1,949</u>		<u>1,576</u>
Total Funds			<u>15,236</u>		<u>8,157</u>

The financial statements were approved by the Trustees on 20 July 2023 and signed on their behalf by:

Bryan Jarvis

B R Jarvis
Chairman

Company Registration No: 3027071

The notes on pages 17 to 33 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Statement of cash flows

For the year ended 31 March 2023

	2023 £000	2022 £000
Cash flows from operating activities		
<i>Trading and donations</i>		
Net movement in funds	7,079	(390)
Depreciation	261	286
Gift of Koinonia net assets excluding cash	(2,307)	-
Gift of Melbourne Hall property	(1,059)	-
Increase in legacy debtors	(4,386)	(209)
Investment income	(2)	(6)
(Gain) on disposal of fixed assets	(14)	(63)
Net cash (used in) trading and donations	(428)	(382)
<i>Working capital movements</i>		
Decrease/(increase) in debtors excluding legacies	1,230	(996)
Increase in creditors	1,326	561
Net cash provided by/(used in) working capital movements	2,556	(435)
Net cash provided by/(used in) operating activities	2,128	(817)
Cash flows from investing and financing activities		
<i>Tangible fixed assets</i>		
Payments on additions of tangible fixed assets	(252)	(685)
Proceeds on disposal of Melbourne Hall	1,059	-
Proceeds on disposal of tangible fixed assets	27	627
Net cash provided by/(used in) tangible fixed assets	834	(58)
<i>Fixed asset investments</i>		
Interests and dividends received	2	6
Payments on additions of fixed asset investments	(200)	-
Net cash (used in)/provided by fixed asset investments	(198)	6
<i>Financing activities</i>		
Proceeds from new loans	-	175
Net cash provided by financing activities	-	175
Net cash provided by investing and financing activities	636	123
Net cash inflow/(outflow)	2,764	(694)
Cash and cash equivalents at 1 April 2022	769	1,463
Cash and cash equivalents at 31 March 2023	3,533	769

The notes on pages 17 to 33 form part of these financial statements.

1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in England and Wales and is governed by its Memorandum and Articles of Association. Its registered office is 175 Tower Bridge Road, London SE1 2AL.

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

1a. Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006, the Charities Act 2011 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include certain investments and financial instruments at fair value.

1b. Consolidation

This charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage of exemptions from the requirement to disclose transactions with other group undertakings.

The financial statements of the charity are consolidated in the financial statements of The Pilgrims Friend Group. These consolidated financial statements are available from its registered office at 175 Tower Bridge Road, London SE1 2AL.

1c. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1d. Tangible fixed assets

Fixed assets are recorded at historic cost. Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2023

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight-line basis:

Land	nil
Buildings	100 years
Roof	70 years
Electrics	40 years
Windows, doors, heating and plumbing	30 years
Bathrooms and lifts	20 years
Kitchens – sheltered	20 years
Boilers	15 years
Kitchens – residential	10 years
Furniture and equipment – sheltered	10 years
Hard landscaping	5 years
Motor vehicles	4 years
Computer equipment	4 years

1e. Income

Housing and care income is recognised on the basis of the period that the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

For performance related Covid-19 LA care grants, the income is recognised when the conditions of the grants have been met.

1f. Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

1g. Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

1h. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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 trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) **For the year ended 31 March 2023**

1. ACCOUNTING POLICIES (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in note 17 to the financial statements.

1i. Leases

Rentals payable under operating leases are dealt with on a straight-line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

1j. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1k. Investments

Investments in subsidiary charities are included at the historic cost less provisions for impairment. Listed investments are stated at fair value.

1l. Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1m. Cash and cash equivalents

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

1n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount. Concessionary loans are included at historic cost.

1o. Financial instruments

The charity only has financial assets and 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.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2023

2. DONATIONS AND LEGACIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Donations	105	162	267	258
Gift of Melbourne Hall property	1,059	-	1,059	-
Net assets gifted by Koinonia	2,434	-	2,434	-
Legacies	<u>4,773</u>	<u>21</u>	<u>4,794</u>	<u>244</u>
	<u>8,371</u>	<u>183</u>	<u>8,554</u>	<u>502</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Rental of investment properties	-	1	1	6
Bank interest	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>	<u>2</u>	<u>6</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Care fees	6,966	7,636	14,602	11,039
Housing income	159	750	909	848
Covid-19 LA care grants	<u>-</u>	<u>46</u>	<u>46</u>	<u>558</u>
	<u>7,125</u>	<u>8,432</u>	<u>15,557</u>	<u>12,445</u>

5. OTHER INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Gain on disposal of fixed assets	14	-	14	63
Covid grants: CJRS	-	-	-	9
Other sources	<u>2</u>	<u>1</u>	<u>3</u>	<u>1</u>
	<u>16</u>	<u>1</u>	<u>17</u>	<u>73</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2023

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Publicity and deputation	<u>27</u>	<u>18</u>	<u>45</u>	<u>25</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
<i>Activities split by fund:</i>				
Housing	87	825	912	633
Care	7,854	7,324	15,178	11,981
Education and training	168	48	216	143
Raising awareness	90	16	106	77
General support costs	<u>304</u>	<u>29</u>	<u>333</u>	<u>271</u>
	8,503	8,242	16,745	13,105
Depreciation	<u>261</u>	-	<u>261</u>	<u>286</u>
	<u>8,764</u>	<u>8,242</u>	<u>17,006</u>	<u>13,391</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2023

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Analysis by activity:	Housing £000	Care £000	Education & training £000	Raising awareness £000	General support £000	Total 2023 £000	Total 2022 £000
Salaries and wages	175	10,292	103	35	1,559	12,164	9,669
Food	107	669	-	-	-	776	603
Administrative expenses	49	515	13	-	564	1,141	873
Repairs and maintenance	281	864	-	-	-	1,145	875
Heat and light	80	444	-	-	-	524	322
Other expenses	62	588	100	71	-	821	579
Professional fees	-	6	-	-	198	204	211
Governance costs: auditor's fees	-	-	-	-	25	25	26
Allocated administrative costs	<u>158</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>(2,013)</u>	<u>(55)</u>	<u>(53)</u>
	912	15,178	216	106	333	16,745	13,105
Buildings depreciation	23	126	-	-	-	149	177
General depreciation	<u>3</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>112</u>	<u>109</u>
	<u>938</u>	<u>15,388</u>	<u>216</u>	<u>106</u>	<u>358</u>	<u>17,006</u>	<u>13,391</u>

During the year the auditors were paid £17,000 for accountancy services (2022: £16,000).

Support costs (less allocated administrative costs):

Staff costs	1,559	1,493
Depreciation	25	31
Professional fees	223	212
Other administrative expenses	<u>564</u>	<u>573</u>
	<u>2,371</u>	<u>2,309</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2023

8. STAFF COSTS

	2023 £000	2022 £000
Wages and salaries	9,584	7,891
Social security costs	705	546
Pension costs	386	269
Agency staff costs	<u>1,489</u>	<u>963</u>
	<u>12,164</u>	<u>9,669</u>

The average number of staff employed in the period on a headcount basis was:

	No	No
Homes	529	450
Head Office	<u>42</u>	<u>32</u>
	<u>571</u>	<u>482</u>

The average number of staff employed in the period on a full-time equivalent basis was:

	No	No
Homes	397	294
Head Office	<u>38</u>	<u>32</u>
	<u>435</u>	<u>326</u>

The emoluments of five employees exceeded £60,000 in the year ended 31 March 2023 (2022: three). Three of those employees earned between £60,000 and £70,000, one earned between £80,000 and £90,000 and one earned between £90,000 and £100,000 (2022: one between £60,000 and £70,000 and two between £80,000 and £90,000).

Remuneration of £3,044 was paid to one trustee, Mr Martyn Hallett during the year for employment as pastoral co-ordinator on a part time basis. Mr Hallett started this paid role on 1 March 2020, before he was appointed as a trustee in October 2022. Continued employment is in accordance with Clause 4 of the Articles of Association of the Charity and consent given by the Charity Commission. No remuneration was paid to any other trustee during the year (2022: £nil). Travel expenses of £1,180 (2022: £nil) were reimbursed to 4 trustees (2022: 0 trustees) for items incurred wholly, exclusively and necessarily in the course of the charity's activities.

The total aggregate remuneration of Key Management Personnel for the year was £496,272 (2022: £464,078).

The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) paid to family members of the trustees was £58,884 (2022: £60,550).

9. NET INCOME/(EXPENDITURE)

	2023 £000	2022 £000
This is stated after charging:		
Depreciation	261	286
(Gain) on disposal of fixed assets	(14)	(63)
Auditors' remuneration for audit services	25	26
Auditors' remuneration for other services	<u>21</u>	<u>16</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2023

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Furniture, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
As at 1 April 2022	6,429	1,295	107	7,831
Additions	2,120	143	43	2,306
Disposals	—	—	(40)	(40)
As at 31 March 2023	<u>8,549</u>	<u>1,438</u>	<u>110</u>	<u>10,097</u>
Depreciation				
As at 1 April 2022	1,644	638	67	2,349
Charge for the year	149	96	16	261
Released on disposals	—	—	(27)	(27)
As at 31 March 2023	<u>1,793</u>	<u>734</u>	<u>56</u>	<u>2,583</u>
Net book value				
As at 31 March 2023	<u>6,756</u>	<u>704</u>	<u>54</u>	<u>7,514</u>
As at 31 March 2022	<u>4,785</u>	<u>657</u>	<u>40</u>	<u>5,482</u>

	2023 £000	2022 £000
At cost or donated value:		
Bethany Christian Home, Plymouth	605	589
Ernest Luff Care Home, Walton-on-the-Naze	2,265	2,223
Ernest Luff Housing, Walton-on-the-Naze	1,611	1,576
Emmaus Care Home, Harrogate	889	877
Permanent landscape, Ernest Luff Care Home	34	34
Koinonia Christian Care, Worthing	2,015	—
Carey Gardens, Kirby Muxloe	<u>1,130</u>	<u>1,130</u>
	<u>8,549</u>	<u>6,429</u>

The gain on disposal of tangible fixed assets for the year is made up of:

	£000
Gain on disposal of Head Office motor vehicles	<u>14</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2023

11. INVESTMENTS

	Listed investments £000	Unlisted investments £000	Total £000
Valuation			
As at 1 April 2022	-	2,228	2,228
Additions	200	-	200
Disposals	-	-	-
Revaluation	-	-	-
As at 31 March 2023	<u>200</u>	<u>2,228</u>	<u>2,428</u>
Historic cost			
As at 31 March 2023	<u>200</u>	<u>2,228</u>	<u>2,428</u>

The closing balance of unlisted investments related to the charity's 100% controlling interest in Strathclyde House Trust Limited, a charitable company registered in Scotland.

12. DEBTORS AND PREPAYMENTS

	2023 £000	2022 £000
Arrears of local authority and residents' contribution	196	300
Amounts due from group entities	655	1,395
Amounts owed from Pilgrim Garden service charge	4	116
Amounts owed from Royd Court service charge	125	95
Amounts owed from Strathclyde service charge	347	231
Other debtors and prepayments	<u>4,810</u>	<u>591</u>
	<u>6,137</u>	<u>2,728</u>

13. CREDITORS AND ACCRUALS: amounts falling due within one year

	2023 £000	2022 £000
Short term loans	165	175
Trade creditors	343	58
Taxation and social security	143	131
Amounts due to group entities	2,928	1,841
Other creditors and accruals	<u>797</u>	<u>845</u>
	<u>4,376</u>	<u>3,050</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2023

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds (note 15)	Restricted Funds - general (note 16b)	Restricted Funds - Pilgrim Homes (note 16a)	Total Funds
	£000	£000	£000	£000	£000
2023					
Fixed assets					
Tangible	7,514	-	-	-	7,514
Investments	-	2,228	-	200	2,428
Current assets	7,921		118	1,631	9,670
Current liabilities	(4,376)	-	-	-	(4,376)
Total Net Assets	<u>11,059</u>	<u>2,228</u>	<u>118</u>	<u>1,831</u>	<u>15,236</u>
2022					
Fixed assets					
Tangible	5,482	-	-	-	5,482
Investments	-	2,228	-	-	2,228
Current assets	1,921	-	111	1,465	3,497
Current liabilities	(3,050)	-	-	-	(3,050)
Total Net Assets	<u>4,353</u>	<u>2,228</u>	<u>111</u>	<u>1,465</u>	<u>8,157</u>

15. DESIGNATED FUNDS

	Brought forward at 1 April 2022	Income	Expenditure	Revaluations and transfers	Carried forward at 31 March 2023
	£000	£000	£000	£000	£000
2023					
Strathclyde House Trust	<u>2,228</u>	-	-	-	<u>2,228</u>
	<u>2,228</u>	-	-	-	<u>2,228</u>
2022					
Strathclyde House Trust	<u>2,228</u>	-	-	-	<u>2,228</u>
	<u>2,228</u>	-	-	-	<u>2,228</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2023

16. a) RESTRICTED FUNDS – PILGRIM HOMES

2023	Brought forward at 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2023 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	1,293	8,447	(8,123)	70	1,687
<i>Pilgrim Homes Restricted Funds</i>					
St Albans	85	-	-	-	85
Homes Voluntary Support Funds (see note 16c)	<u>87</u>	<u>41</u>	<u>-</u>	<u>(69)</u>	<u>59</u>
Total restricted funds – Pilgrim Homes	<u>1,465</u>	<u>8,488</u>	<u>(8,123)</u>	<u>1</u>	<u>1,831</u>

16. b) RESTRICTED FUNDS – GENERAL

Faith in Later Life	10	70	(80)	-	-
Homes Voluntary Support Funds (see note 16c)	14	9	(14)	80	89
Local Homes Project Funds	15	3	3	-	21
Carey Gardens	65	-	-	(65)	-
Covid-19 LA Grants Fund	-	46	(46)	-	-
Dementia Fund	<u>7</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>8</u>
Total restricted funds - general	<u>111</u>	<u>129</u>	<u>(137)</u>	<u>15</u>	<u>118</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2023

16. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2023	Brought forward at 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2023 £000
Funds restricted by Pilgrim Homes articles					
Chippenham	3	-	-	(3)	-
Great Finborough	52	6	-	(58)	-
Evington	3	4	-	(7)	-
Tunbridge Wells	4	14	-	-	18
Wantage	7	16	-	-	23
Shottermill	17	1	-	(1)	17
Bedford	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
	87	41	-	(69)	59
Other restricted funds					
Ernest Luff Care	1	-	-	(1)	-
Bethany Christian Home	2	2	-	(4)	-
Emmaus House	2	3	-	-	5
Florence House	2	-	-	(2)	-
Koinonia	-	1	-	(1)	-
Kirby Muxloe	5	-	(14)	88	79
Middlefields	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>5</u>
	14	9	(14)	80	89
Total Homes Voluntary Support Funds	<u>101</u>	<u>50</u>	<u>(14)</u>	<u>11</u>	<u>148</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2023

16. a) RESTRICTED FUNDS – PILGRIM HOMES (continued)

2022	Brought forward at 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2022 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	411	8,175	(7,291)	(2)	1,293
<i>Pilgrim Homes Restricted Funds</i>					
St Albans	-	85	-	-	85
Homes Voluntary Support Funds (see note 16c)	<u>59</u>	<u>27</u>	(<u>1</u>)	<u>2</u>	<u>87</u>
Total restricted funds – Pilgrim Homes	<u>470</u>	<u>8,287</u>	<u>(7,292)</u>	<u>-</u>	<u>1,465</u>

16. b) RESTRICTED FUNDS – GENERAL

NYCC Grant	1	-	(1)	-	-
Faith in Later Life	-	10	-	-	10
Homes Voluntary Support Funds (see note 16c)	8	8	(1)	(1)	14
Local Homes Project Funds	15	-	-	-	15
Carey Gardens	65	-	-	-	65
Covid-19 LA Grants Fund	-	558	(558)	-	-
Dementia Fund	<u>6</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total restricted funds - general	<u>95</u>	<u>577</u>	<u>(560)</u>	<u>(1)</u>	<u>111</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2023

16. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2022	Brought forward at 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2022 £000
Funds restricted by Pilgrim Homes articles					
Chippenham	3	-	-	-	3
Great Finborough	27	13	(1)	13	52
Evington	-	5	-	(2)	3
Tunbridge Wells	5	-	-	(1)	4
Wantage	3	7	-	(3)	7
Shottermill	20	2	-	(5)	17
Bedford	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
	59	27	(1)	2	87
Other restricted funds					
Ernest Luff Care	1	-	-	-	1
Bethany Christian Home	3	-	-	(1)	2
Kirby Muxloe	-	5	-	-	5
Middlefields	-	3	(1)	-	2
Emmaus House	2	-	-	-	2
Florence House	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
	8	8	(1)	(1)	14
Total Homes Voluntary Support Funds	<u>67</u>	<u>35</u>	<u>(2)</u>	<u>1</u>	<u>101</u>

All Homes Voluntary Support Funds are restricted funds. Income received represents donations received for work at individual care homes and all expenditure is for the benefit of the ongoing work of the specific home. Where a home is lossmaking, at the end of the year the balance on the support fund is transferred to the general fund of the charity to assist in defraying the losses.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2023

16. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS

Designated Funds

Operational Risk Reserve

This fund consists of funds required to ensure the continuity of care in the event of a major disruption to the operation of the charity.

Restricted Funds

Pilgrim Homes Fund

This heading includes both the reserves of Pilgrim Homes and the Pilgrim Homes Restricted Fund within Pilgrims' Friend Society, which were transferred to Pilgrim Homes Trust on 31 March 2020.

St Albans and Lucy McNeil Home Funds

These funds relate to the receipt of donations and the proceeds of various fundraising activities for the purpose of establishing new homes.

Watford Tabernacle Almshouse Funds (one restricted and one designated)

During 2004, Pilgrim Homes became responsible for the management of the various funds which constitute the Watford Tabernacle Almshouse Trust. The site was then sold, and suitable accommodation was found for the two remaining residents. The funds from both the restricted and designated funds were utilised in the year for the purchase of the Redbourn flats and a transfer to the General Fund was made.

NYCC grant (Emmaus)

This relates to £2,250 received from NYCC in the year ended 31 December 2007 for the purchase of the Conservatory Heating and a Hospital Bed and Mattress. The grant is being released at the same rate as the depreciation of the assets to which it relates, i.e. 15% reducing balance basis. Therefore, the deduction is the brought forward amount multiplied by 15%.

Faith in Later Life

This represents donations from the Outlook Trust, this charity and a number of partner charities for use towards the costs of the 'Faith in Later Life' initiative mentioned in the Trustees' report. This initiative is in the course of being incorporated as a separate charity and following incorporation the balance of funds held will be transferred to this new charity.

Local Homes Project Funds

These represent the amounts raised and spent by local homes towards specific locally agreed initiatives within specific homes.

Dementia Fund

This fund is utilised to assist in meeting the costs of new initiatives to better look after our residents with dementia.

Homes Voluntary Support Funds

Homes Voluntary support funds represent donations made by supporters for the purpose of improving care at specific homes. These funds are also available, in the event of a home making a trading loss in a financial year, to reduce the loss sustained.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2023

16. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS (continued)

Covid grants

This relates to grants received by local authorities to deal with increased costs of dealing with the pandemic (e.g. staff and personal protective equipment).

Carey Gardens

This represents a donation to fund substantial capital improvements at Carey Gardens, as a supplement to the sinking fund contributions paid by residents.

17. LEASING COMMITMENTS

Operating leases

The charitable company's total future minimum lease payments under operating leases at 31 March 2023 were payable as set out below:

	2023	2022
	£000	£000
Within one year	50	38
Within two to five years	<u>63</u>	<u>84</u>
	<u>113</u>	<u>122</u>

The operating lease charges for the year were:

	2023	2022
	£000	£000
Land and buildings	97	88
Hire of plant and machinery	<u>51</u>	<u>85</u>
	<u>148</u>	<u>173</u>

The lease over 175 Tower Bridge Road, London expired on 31 December 2014. Since that date the charity has continued to pay rent at the existing annual rate of £67,000. The charity is required to give 3 months' notice under Section 27 of the Landlord & Tenant Act 1954 to vacate the premises.

18. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the pension funds. There were contributions of £61,000 due to the fund at the period end (2022: £49,000).

The Society also makes a small number of *ex gratia* pension payments to former employees. The annual commitment to make these payments has been reducing over the past few years and currently stands at around £3,000 per annum. A few years ago, the trustees considered whether to accrue for this liability but, given the amounts payable, the age of those receiving a pension and the complexity of determining an appropriate reserve, no provision was made.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2023

19. RELATED PARTY TRANSACTIONS

The Pilgrims Friend Group is the ultimate controlling charity of the group, whose principal activity is to run Christian care homes. It is a charitable company limited by guarantee incorporated in England and Wales. Its registered office is 175 Tower Bridge Road, London SE1 2AL. Company number: 07169875. Charity number: 1134979.

The charity is a subsidiary of The Pilgrims Friend Group by virtue of that charity being the sole member of Pilgrims' Friend Society with the right to appoint directors. Transactions with The Pilgrims Friend Group and its other group undertakings are not disclosed as consolidated financial statements for the group are publicly available.

Details of trustees' and key management personnel and remuneration are disclosed in note 8 to the financial statements.

There are no other related party transactions.

20. COMPANY LIMITED BY GUARANTEE

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Accounts

PILGRIMS' FRIEND SOCIETY

Financial Statements

For the year ended 31 March 2022

COMPANY NUMBER 3027071

CHARITY NUMBER 1045920

PILGRIMS' FRIEND SOCIETY

Contents of the financial statements For the year ended 31 March 2022

Page	
1	Trustees' report – statutory information
2 - 9	Trustees' report
10 - 13	Independent auditor's report
14	Statement of financial activities
15	Balance sheet
16	Statement of cash flows
17 - 33	Notes to the financial statements

PILGRIMS' FRIEND SOCIETY

Trustees' report – statutory information For the year ended 31 March 2022

DIRECTORS AND TRUSTEES

Alan Copeman
Genefer Espejo
Robin Turnbull

Bryan Jarvis (Chairman)
Max Robinson
Sheila Warnes (appointed 9 June 2022)

COMPANY SECRETARY

Debbie Buggs

REGISTERED OFFICE

175 Tower Bridge Road
London
SE1 2AL

COMPANY NUMBER 3027071
CHARITY NUMBER 1045920

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AUDITORS

Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the charity were the Trustees and the members of Senior Management Team whose names and responsibilities are listed below:

Stephen Hammersley	<i>Chief Executive Officer</i>
Maureen Sim	<i>Director of Operations</i>
Debbie Buggs	<i>Director of Finance and Company Secretary</i>
Andy Walsh	<i>Director of Property Services</i>
Joshua Field	<i>Director of Human Resources</i>
Alexandra Davis	<i>Director of Marketing</i>

PILGRIMS' FRIEND SOCIETY

Trustees' report

For the year ended 31 March 2022

The trustees present their report, together with the financial statements of the company for the year ended 31 March 2022. The trustees' report incorporates the directors' report and the strategic report prepared for the purposes of company law.

MISSION REVIEW

As a Christian charity we hold to the value of prayer in that God answers the prayers of people who ask in faith, and we know that we cannot deliver against our charitable objects to advance the Christian faith amongst older people through our homes and schemes apart from God's help. During the year we have maintained daily times of prayer with most managers and trustees present.

These daily times, our occasional mini conferences over Zoom; and our in-person conference for managers and trustees in September have shown that we are blessed with a cohort of leaders whose faith and trust in God is strong, who support and encourage each other, and who are deeply committed to supporting spiritually the people who live with us.

During the year we developed, with our colleagues, four values, based on the Bible, that sum up how we want to live out our Christian faith: Compassion; Community; Transparency; and Excellence. These values are helping us engage with our staff colleagues whether or not they have a personal commitment to the Christian faith.

Our people have excelled

The big picture overview is a story of our staff colleagues', and particularly our managers', outstanding resilience, and performance in the face of the challenges of Covid 19, for which we give thanks to God.

The financial year started in April 2021 with the charity (and country) just coming out of the second wave lockdown, with outbreaks and significant numbers of people still dying even as the drive to vaccinate frail and vulnerable people was picking up pace.

Our people in our homes, schemes and support teams were outstanding and this was recognised by relatives whom we surveyed during this period.

The effectiveness of the vaccines was remarkable, but the challenge of the pandemic persisted albeit in a different form as infections climbed and staff absences through isolation and illness exacerbated underlying challenges of recruiting and retaining enough people.

Our managers and leaders in our homes and schemes and in our support teams were again outstanding as, in the teeth of these challenges, the quality of our care has remained high (based on our internal audits) and the occupancy in our homes recovered rapidly and faster than expected.

During the year we completed sufficient of our job evaluation project and additional survey work that identified gaps opening particularly at a home level between our pay and local market rates. To try and improve retention and recruitment (and prevent it deteriorating) this led us to bring forward the annual pay increases for hourly paid staff from April 2022 to January 2022.

There is no doubt that our people deserved financial recognition to go alongside the letters and messages of commendation that they received.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2022

Our Projects have delivered

As the timeline for Covid attached shows this has been a demanding year operationally for our front-line teams and those who work in support as regulations, guidance and conditions have changed regularly and significantly.

In addition to these ongoing challenges, we have progressed and delivered several significant planned projects:

- Our bespoke approach to living alongside and with people The Way We Care is now in place in all of our residential care homes and the language and reality of “being like a family” is now our norm.
- We have established Activity and Community Engagement Facilitators in all our homes: Christian staff with a mission to re-establish and develop links with local churches and communities after the covid lockdowns and briefed to identify, train and develop volunteers for the benefit of our homes and the churches from which they come.
- The Renewal Programme took a significant step forward though the acclaimed launch of our award-winning new care home in Chippenham, Middlefields House, built to replace our Leonora Home and to support The Way We Care and our community engagement aspirations. It is to the credit of all involved that this was delivered broadly to budget and time and that the initial reactions to the home have been so positive. Demand has been high and the key constraint to its growth has been the high incidence of Covid resulting in slower than hoped for admissions and staff shortages.
- The Renewal Programme on the South Coast (Worthing) also progressed through a significant project to bring the Koinonia Home within Pilgrims' Friend Society (effective 1 April 2022) and the continued search for a site for a new home in the area. Again, under the umbrella of the Renewal Programme we have progressed the sale of houses and flats at Redbourn, the (closed) home in Brighton, land at Churston Ferriers; and the sale of the site of the Leonora home in Chippenham.
- In support of our front-line operations, we have also done significant work to:
 - Upgrade and streamline our finance systems
 - Introduce and embed in our residential care homes: mobile point of care; digital medication ordering and care audit tools
 - Get up to speed with the use of Donorfy, our new and more GDPR compliant supporter database
 - Migrate our systems to the cloud and away from our own vulnerable, inflexible, and unreliable servers.
- Risks have been reduced through projects to reduce vulnerability to hacking and cyber-attack (cloud-based servers; data security training and briefings; older vulnerable PCs replaced; updated policies); and to reduce data protection GDPR risks (staff training).
- We were pleased that Middlefields House won the Pinders Healthcare Design Award announced in March 2022.

Significant events have been responded to

Exceptional situations have arisen that required us to respond:

- Extremely low occupancy because of Covid and problems finding Christian managers required us to review the future of our home in Peterborough. Having announced the need to close the home we were delighted that it was instead acquired by a mother and daughter team who run a local home and who, supported by two volunteers, promised to maintain the Christian ethos of the home.
- We were able to help Melbourne Home in Leicester close in an orderly and sympathetic way by providing operational management and support. As of 1 April 2022, Pilgrims' Friend Society was appointed the sole corporate trustee of the charity that owns the home, and an offer was accepted for the home for £1.2m.
- We were able to help the Gospel Standard Home near Chippenham close well in emergency circumstances.
- New (post-Grenfell) fire regulations have required several property projects totalling almost £0.75m.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2022

- The need to replace the roof at Strathclyde House and a difficult trading year has prompted us to engage with residents about better ways of paying the bills and a review of the support needed from Pilgrims' Friend Society.

Scale of our impact

We ended the year with 224 of 250 (89%) residential care places filled whereas a year earlier we had 206 of 253 (81%) places. During the year we lost 19 places with the sale of Florence House, and gained 16 more places in the Chippenham area with the opening of Middlefields, replacing Leonora. At the end of the year three out of four households were in use at Middlefields (equating to 36 places) and by the autumn of 2022 we pray that the one remaining household will be open.

Housing occupancy (excluding Strathclyde House) was 86% down from 88% on 31 March 2021. This means that we had 165 people living with us in housing on 31 March 2022, down from 169 on 31/3/21.

FINANCIAL REVIEW

Overall performance

The charity suffered a net loss of £390,000 in the year compared to a net surplus of £603,000 in the previous year.

The key measure of performance used in the charity's management accounts is its earnings before interest, tax, depreciation amortisation and rent (EBITDAR).

EBITDAR for the year is reported as a loss of £104,000 against a loss of £248,000 the previous year excluding the gift of Carey Gardens.

STATUTORY INFORMATION

Our objects and how we seek to fulfil them

The Pilgrims Friend Group is a non-trading charitable company which is the sole corporate member of Pilgrims' Friend Society, Pilgrim Homes and Pilgrim Homes Trust. In turn, Pilgrims' Friend Society is the sole corporate member of Strathclyde House Trust. The governing document is the articles of association.

The Pilgrims' Friend Group exists to research and understand the context for the delivery of Christian Care and it sets policies and provides direction for the charities in its group. The board of this charity makes significant decisions for the running of the group. All of the Members of the Board of Trustees of The Pilgrims' Friend Group are also on the board of one or more of the Group's subsidiary entities. The trustees of the Pilgrims' Friend Group are distributed so that we have the capacity to manage conflicts of interest and receipt transaction between charities.

Pilgrims' Friend Society and The Pilgrim Friends Group have identical objects with the primary object being "the advancement of the Christian faith and the relief of poverty, sickness, disablement, old age and infirmity for the public benefit to the glory of God". Strathclyde House Trust has similar objectives to these two charities.

The objects of Pilgrim Homes and its successor charity, Pilgrim Homes Trust are: "The relief either individually or collectively of poverty, sickness, disablement, and infirmity of older people of the Protestant Christian faith including by the provision and maintenance of residential care and housing".

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2022

Pilgrims' Friend Society advances the Christian faith by operating Christian care and housing for older people and by producing resources that inspire, encourage and equip others in their work of caring for older people.

Pilgrims' Friend Society operates all our homes and schemes in the group in the same way to ensure the same quality of Christian Care and to give us economies of scale in our operations.

Pilgrim Homes Trust (and Pilgrim Homes before it) fulfils its objects through the ownership of care homes and housing schemes which are operated on its behalf by Pilgrims' Friend Society. Pilgrim Homes Trust is the group charity building the first of our Renewal Programme homes at Chippenham (Middlefields House).

The Annual Review section of this report sets out how our work provides accommodation and care to older people through the provision of Christian care in a residential setting to those who are over 65 and in need of such accommodation or care as a result of their age, poverty, sickness or disablement.

Our charities advance the Christian faith by ensuring that beneficiaries have every opportunity to pursue their Christian lives. Regular devotions, opportunities to pray and be supported in prayer, Christian services, Bible studies, opportunities to share fellowship and express Christian beliefs and values through crafts and activities are available in all our homes and schemes.

Domiciliary care for residents in our extra care housing scheme at Royd Court in Mirfield is provided by Pilgrim Care, part of Pilgrims' Friend Society.

The benefits of our work are people living safe and fulfilled lives in their later years when they need Christian care and support.

Pilgrims' Friend Society and Strathclyde House Trust (of which it is the sole member) provide a safe, secure environment and a Christian community with opportunities for fellowship with like-minded Christian people.

Public Benefit

The charity's trustees have considered the guidance regarding public benefit when considering and planning their objectives and activities for the year.

Employment Policies

Pilgrims' Friend Society always selects staff colleagues based on their ability to do the job on offer based on a "Person Specification" for each post. We are fully compliant with Equalities legislation and recognise our obligations, under Disability Discrimination legislation, to consider reasonable modifications to allow people living with a disability to take up employment. We have a genuine occupational requirement for some posts to be filled by Protestant Christians, who agree with our doctrinal basis, to maintain our founding Christian ethos. These issues are dealt with fully under the charity's Equal Opportunities policies.

All our homes hold regular meetings for all colleagues which are designed to impart information regarding developments within the charity and to give staff opportunity to raise issues. Where any specific proposal is likely to have a significant impact on individual members of staff, such staff are consulted in line with current legislation and good practice.

We are in regular communication with our staff colleagues on all matters relating to their terms and conditions of employment. The managers of our homes meet twice a year as the "senior team" and this includes discussion with the trustees as to the future direction of the Society. Significant changes to the work of the Society are

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2022

typically preceded by a consultation with colleagues in our homes and our volunteers sometimes involving a visit by a member of the executive team and a trustee. We encourage colleagues' involvement in the Society's performance and their awareness of the factors affecting our work through a monthly prayer bulletin that is posted on the noticeboards in all our homes and schemes.

Volunteers

Our home visitors, friends and auxiliary committees are a vital aspect of our work. As well as raising some of the finances we need they also make them go much further through their volunteering. We are particularly grateful to visitors who provide much needed comfort and company to residents and those who lead the regular acts of worship in our homes. The Charity Commission requires we state a number for these volunteers, and we estimate this to be around 200.

Future developments

In the coming financial year we plan to integrate the operations of Koinonia Care Home into the charity.

Related parties

The trustees of the charity consider the following to be related parties:

1. Key Management Personnel of Pilgrims' Friend Society
2. The following charities:
 - a. The Pilgrims Friend Group (TPFG) –the ultimate holding company of this Charity.
 - b. Pilgrim Homes (PH) – a fellow subsidiary of the Pilgrims Friend Group.
 - c. Pilgrim Homes Trust (PHT) – a fellow subsidiary of the Pilgrims Friend Group.
 - d. Strathclyde House Trust (SHT) – a subsidiary of this Charity.
3. PFG Trading Limited – a limited company
4. Aged Pilgrims' Friend Society Trust Limited (APFST) – a non-trading limited company which, holds title to the properties owned by Pilgrim Homes. APFST is a wholly owned subsidiary of Pilgrim Homes Trust holds title to the properties on behalf of Pilgrim Homes Trust.

Investment policy

The cost of the Renewal Programme at Chippenham (building Middlefields House) has been funded by investing surplus cash reserves, and the sale of investments and property in related entities. because the timing of these cash inflows were difficult to predict, £2.5m was borrowed from Lloyds Bank in June 2021.

Given the need for cash, the trustees take the view that it is better to retain the majority of the charity's funds in bank deposits, rather than investing in other classes of assets.

Principal sources of funding

The charity expects to continue to raise most of its income from fees charged to residents of its homes and by charges for its housing. The Renewal Programme will be funded by borrowing, social investment, the sale of some property assets and donations.

As mentioned above, the group has agreed a bridging loan facility of £2.5million with Lloyds Bank to cover timing differences and other short-term impacts of Covid on the group. This comprised a £1.5 million Coronavirus Business Interruption Loan under the government facility and a further £1 million interest only loan with Lloyds Bank.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2022

Accommodation charges policy

As with the other related charities, this charity sets the level of charges for accommodation in its care homes based on local market conditions. It does not discriminate against older Christians who may not have the resources to meet the costs of their own care and we accept residents whose fees are met on their behalf by local authorities, notwithstanding the shortfall that then arises. In these circumstances we seek a 'top-up' from family or friends where possible.

Fundraising

Pilgrims' Friend Society does not employ outside or commercial fund-raisers. We make sure that our supporters are kept up to date with our work and that they have the opportunity to give to support it. It issues a magazine twice a year and solicits prayer for the work of the charity. Both the magazine and the prayer updates issued by the charity may include mention of financial needs. No complaints have been received in the year about our fundraising. Pilgrims' Friend Society is registered with the Fundraising Regulator.

Risks and regulations

The charity maintains a comprehensive register of risks which is reviewed by the Key Management Personnel at their monthly meetings and by trustees at every trustee meeting. Risks are rated as to both their likelihood and severity. The greatest risks faced by the Charity are:

Risk	Actions to mitigate
Pandemic or other similar event seriously impairs the charity's ability to deliver care and head office services to the homes	Contingency and continuity plans; pandemic policy
The charity is unable to recruit staff with the necessary skills	Apprenticeships, career paths and action plans in place. Remuneration policy. Lobbying through the National Care Forum when changes to immigration rules threaten staff availability.
Reduced occupancy in the homes means they are no longer viable	Effective occupancy marketing. Performance data monitored and acted on.
Financial drain on the charity from the pandemic	Close monitoring of cash, liquidation of illiquid investments, use of bank loans
Price inflation and supply chain delays mean that the charity is unable to provide an adequate level of care	Fixed price contracts are negotiated where possible, fee income increases take account of expected price inflation
The charity's reputation or ability to operate is impaired by data being leaked or corrupted	Standard information technology controls are in place, such as backups and access controls
Inflation and the cost of borrowing mean that the renewal programme is not achievable.	Trends are monitored and alternative sources of funding are sought.

Reserves

The Charity holds funds of £8,157,000 at the year end. Restricted funds account for £1,576,000 of this and most of these reserves can be used to fund operational costs of a proportion of the operating entities (the Pilgrim Homes). Of the general and designated funds, £7,710,000 could only be realised by disposing of tangible fixed assets or programme related investments. This means that the reserves (that is, the part of the charity's unrestricted funds that is freely available to spend on any of the charity's purposes) is a negative £1,129,000 a shortfall of £2,129,000

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2022

against a target of £1,000,000. To bridge this gap, the charity has access to loan finance (drawn down in June 2021) and support from other entities in the group.

Trustee recruitment and training

Trustees are appointed at a board meeting following a nomination process. Candidates must meet a strict set of specifications concerning personal competence, specialist skills, availability and Christian belief. Once the Board and new trustee decide to proceed with a formal appointment there follows an induction period to familiarise the new trustee with the charity's operations. Newly appointed trustees meet with the Chief Executive and members of the Senior Management Team to provide an introduction to the affairs of the charity, key operational methods and the current strategic plan. Trustee performance is subject to an annual review by the Chairman.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Pilgrims' Friend Society for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company 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 charitable company and of the income and expenditure, of the charitable company for that period. In preparing these 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 judgments and accounting 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, 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 trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2022

AUDITORS

Jacob Cavenagh & Skeet were the charitable company'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

Bryan Jarvis

Mr B Jarvis (Chairman)

Date: 21 July 2022

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society For the year ended 31 March 2022

OPINION

We have audited the financial statements of Pilgrims' Friend Society (the charity) for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2022 and of its incoming resources and application of resources 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 director's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2022**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report included with 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, 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 charity'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 company or to cease operations, or have no realistic alternative but to do so.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) For the year ended 31 March 2022

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to charity financial reporting, employment, health & safety and care and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to:

- disclosure of capital commitments or provisions
- recognition of legacy income
- fraudulent extraction of cash
- government grants

In response to the risks identified we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- identifying and reviewing journal entries
- discussions with management and review of legal correspondence
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls
- testing the calculation of claims made under Coronavirus grants

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2022**

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 and regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

P Newton

Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 25 July 2022

PILGRIMS' FRIEND SOCIETY

Statement of financial activities (incorporating the income and expenditure account) For the year ended 31 March 2022

		2022			2021		
		Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000	Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000
	Note						
Income from:							
Donations and legacies	2	203	299	502	1,699	261	1,960
Investments	3	-	6	6	1	37	38
Charitable activities	4	3,889	8,556	12,445	3,353	8,235	11,588
Other income	5	<u>70</u>	<u>3</u>	<u>73</u>	<u>12</u>	<u>33</u>	<u>45</u>
Total income		<u>4,162</u>	<u>8,864</u>	<u>13,026</u>	<u>5,065</u>	<u>8,566</u>	<u>13,631</u>
Expenditure on:							
Raising funds	6	22	3	25	29	33	62
Charitable activities	7	<u>5,542</u>	<u>7,849</u>	<u>13,391</u>	<u>4,826</u>	<u>8,140</u>	<u>12,966</u>
Total expenditure		<u>5,564</u>	<u>7,852</u>	<u>13,416</u>	<u>4,855</u>	<u>8,173</u>	<u>13,028</u>
Net income/(expenditure)		(1,402)	1,012	(390)	210	393	603
Transfers between funds		<u>1</u>	(<u>1</u>)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(1,401)	1,011	(390)	210	393	603
Reconciliation of funds							
Total funds brought forward		<u>7,982</u>	<u>565</u>	<u>8,547</u>	<u>7,772</u>	<u>172</u>	<u>7,944</u>
Total funds carried forward		<u>6,581</u>	<u>1,576</u>	<u>8,157</u>	<u>7,982</u>	<u>565</u>	<u>8,547</u>

All the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 17 to 33 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Balance sheet As at 31 March 2022

		2022		2021	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	10		5,482		5,647
Investments	11		<u>2,228</u>		<u>2,228</u>
			7,710		7,875
Current assets					
Debtors and prepayments	12	2,728		1,523	
Cash at bank and in hand		<u>769</u>		<u>1,463</u>	
		3,497		2,986	
Creditors: Amounts falling due within one year	13	(3,050)		(2,314)	
Net current assets			<u>447</u>		<u>672</u>
Total assets less current liabilities			<u>8,157</u>		<u>8,547</u>
Funds:	14				
Unrestricted funds	14,15		6,581		7,982
Restricted funds	16		<u>1,576</u>		<u>565</u>
Total Funds			<u>8,157</u>		<u>8,547</u>

The financial statements were approved by the Trustees on 21 July 2022 and signed on their behalf by:

Max Robinson

M Robinson
Trustee

Bryan Jarvis

B R Jarvis
Trustee

S J Hammersley

S Hammersley
Chief Executive

Company Registration No: 3027071

The notes on pages 17 to 33 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Statement of cash flows

For the year ended 31 March 2022

	2022 £000	2021 £000
Cash flows from operating activities		
<i>Trading and donations</i>		
Net movement in funds	(390)	603
Depreciation	286	279
Investment income	(6)	(38)
Gain on disposal of fixed assets	63	2
Donation of property	-	(1,130)
Net cash (used in) trading and donations	(47)	(284)
<i>Working capital movements</i>		
(Increase) in debtors	(1,205)	(964)
Increase/(decrease) in creditors	561	(457)
Net cash provided by working capital movements	(644)	(1,421)
Net cash (used in) operating activities	(691)	(1,705)
Cash flows from investing and financing activities		
<i>Tangible fixed assets</i>		
Payments on additions of tangible fixed assets	(685)	(340)
Proceeds on disposal of tangible fixed assets	501	-
Net cash (used in) tangible fixed assets	(184)	(340)
<i>Fixed asset investments</i>		
Investment income	6	38
Net cash provided by fixed asset investments	6	38
<i>Financing activities</i>		
Proceeds from new loans	175	-
Net cash provided by financing activities	175	-
Net cash (used in) investing and financing activities	(3)	(302)
Net cash (outflow)	(694)	(2,007)
Cash and cash equivalents at 1 April 2021	1,463	3,470
Cash and cash equivalents at 31 March 2022	769	1,463

The notes on pages 17 to 33 form part of these financial statements.

1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in England and Wales and is governed by its Memorandum and Articles of Association. Its registered office is 175 Tower Bridge Road, London SE1 2AL.

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

1a. Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include certain investments and financial instruments at fair value.

1b. Consolidation

This charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage of exemptions from the requirement to disclose transactions with other group undertakings.

The financial statements of the charity are consolidated in the financial statements of The Pilgrims Friend Group. These consolidated financial statements are available from its registered office at 175 Tower Bridge Road, London SE1 2AL.

1c. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1d. Tangible fixed assets

Fixed assets are recorded at historic cost. Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight-line basis:

Land	nil
Buildings	100 years
Roof	70 years
Electrics	40 years
Windows, doors, heating and plumbing	30 years
Bathrooms and lifts	20 years
Kitchens – sheltered	20 years
Boilers	15 years
Kitchens – residential	10 years
Furniture and equipment – sheltered	10 years
Hard landscaping	5 years
Motor vehicles	4 years
Computer equipment	4 years

1e. Income

Housing and care income is recognised on the basis of the period that the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

For Job Retention Scheme government grant income, the income is recognised in the period to which the underlying furloughed staff costs relate to. For performance related Covid-19 LA care grants, the income is recognised when the conditions of the grants have been met.

1f. Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

1g. Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

1h. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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 trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

1. ACCOUNTING POLICIES (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in note 17 to the financial statements.

1i. Leases

Rentals payable under operating leases are dealt with on a straight-line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

1j. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1k. Investments

Investments in subsidiary charities are included at the historic cost less provisions for impairment.

1l. Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1m. Cash and cash equivalents

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

1n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount. Concessionary loans are included at historic cost.

1o. Financial instruments

The charity only has financial assets and 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.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

2. DONATIONS AND LEGACIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Donations	175	83	258	761
Gift of Property from Kirby Muxloe Church	-	-	-	1,130
Legacies	<u>28</u>	<u>216</u>	<u>244</u>	<u>69</u>
	<u>203</u>	<u>299</u>	<u>502</u>	<u>1,960</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Rental of investment properties	-	6	6	33
Bank interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
	<u>-</u>	<u>6</u>	<u>6</u>	<u>38</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Care fees	3,733	7,306	11,039	10,063
Housing income	156	692	848	837
Covid-19 LB care grants	<u>-</u>	<u>558</u>	<u>558</u>	<u>688</u>
	<u>3,889</u>	<u>8,556</u>	<u>12,445</u>	<u>11,588</u>

5. OTHER INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Gain on disposal of fixed assets	63	-	63	-
Covid grants: CJRS	6	3	9	28
Other sources	<u>1</u>	<u>-</u>	<u>1</u>	<u>17</u>
	<u>70</u>	<u>3</u>	<u>73</u>	<u>45</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2022

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Publicity and deputation	<u>22</u>	<u>3</u>	<u>25</u>	<u>62</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
<i>Activities split by fund:</i>				
Housing	65	568	633	901
Care	4,736	7,245	11,981	11,111
Education and training	143	-	143	209
Raising awareness	77	-	77	109
General support costs	<u>235</u>	<u>36</u>	<u>271</u>	<u>355</u>
	5,256	7,849	13,105	12,685
Depreciation and loss on disposal	<u>286</u>	<u>-</u>	<u>286</u>	<u>281</u>
	<u>5,542</u>	<u>7,849</u>	<u>13,391</u>	<u>12,966</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2022

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

<i>Analysis by activity:</i>	Housing £000	Care £000	Education & training £000	Raising awareness £000	General support £000	Total 2022 £000	Total 2021 £000
Salaries and wages	152	7,915	82	27	1,493	9,669	8,903
Food	99	504	-	-	-	603	565
Administrative expenses	27	259	13	2	572	873	901
Repairs and maintenance	128	747	-	-	-	875	797
Heat and light	38	284	-	-	-	322	300
Other expenses	39	443	48	48	1	579	1,004
Professional fees	-	25	-	-	186	211	195
Governance costs: auditor's fees	-	-	-	-	26	26	22
Allocated administrative costs	<u>150</u>	<u>1,804</u>	<u>-</u>	<u>-</u>	<u>(2,007)</u>	<u>(53)</u>	<u>(2)</u>
	633	11,981	143	77	271	13,105	12,685
Buildings depreciation	21	156	-	-	-	177	176
General depreciation	3	75	-	-	31	109	103
Loss on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
	<u>657</u>	<u>12,212</u>	<u>143</u>	<u>77</u>	<u>302</u>	<u>13,391</u>	<u>12,966</u>

During the year the auditors were paid £16,000 for accountancy services (2021: £10,000).

Support costs (less allocated administrative costs):

Staff costs	1,493	1,215
Depreciation	31	32
Loss on disposal	-	2
Professional fees	212	199
Other administrative expenses	<u>573</u>	<u>488</u>
	<u>2,309</u>	<u>1,936</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

8. STAFF COSTS

	2022 £000	2021 £000
Wages and salaries	7,891	7,206
Redundancy costs	-	25
Social security costs	546	483
Pension costs	269	273
Agency staff costs	<u>963</u>	<u>916</u>
	<u>9,669</u>	<u>8,903</u>

The average number of staff employed in the period on a headcount basis was:

	No	No
Homes	450	445
Head Office	<u>32</u>	<u>29</u>
	<u>482</u>	<u>474</u>

The average number of staff employed in the period on a full-time equivalent basis was:

	No	No
Homes	294	282
Head Office	<u>32</u>	<u>27</u>
	<u>326</u>	<u>309</u>

The emoluments of three employees exceeded £60,000 in the year ended 31 March 2022 (2021: two). One of those employees earned between £60,000 and £70,000 and two earned between £80,000 and £90,000 (2021: one between £60,000 and £70,000 and one between £80,000 and £90,000).

No remuneration was paid to any trustee during the year (2021: £nil). Travel expenses of £nil (2021: £nil) were reimbursed to 0 trustees (2021: 0 trustees) for items incurred wholly, exclusively and necessarily in the course of the charity's activities.

The total aggregate remuneration of Key Management Personnel for the year was £464,078 (2021: £472,484).

The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) paid to family members of the trustees was £60,550 (2021: £59,815).

9. NET INCOME/(EXPENDITURE)

	2022 £000	2021 £000
This is stated after charging:		
Depreciation	286	279
(Gain)/loss on disposal	(63)	2
Auditors' remuneration for audit services	26	22
Auditors' remuneration for other services	<u>16</u>	<u>10</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Furniture, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
As at 1 April 2021	6,907	886	104	7,897
Additions	172	490	23	685
Disposals	(650)	(81)	(20)	(751)
As at 31 March 2022	<u>6,429</u>	<u>1,295</u>	<u>107</u>	<u>7,831</u>
Depreciation				
As at 1 April 2021	1,551	638	61	2,250
Charge for the year	177	83	26	286
Released on disposals	(84)	(83)	(20)	(187)
As at 31 March 2022	<u>1,644</u>	<u>638</u>	<u>67</u>	<u>2,349</u>
Net book value				
As at 31 March 2022	<u>4,785</u>	<u>657</u>	<u>40</u>	<u>5,482</u>
As at 31 March 2021	<u>5,356</u>	<u>248</u>	<u>43</u>	<u>5,647</u>

	2022 £000	2021 £000
At cost or donated value:		
Bethany Christian Home, Plymouth	589	583
Ernest Luff Care Home, Walton-on-the-Naze	2,223	2,078
Ernest Luff Housing, Walton-on-the-Naze	1,576	1,553
Emmaus Care Home, Harrogate	877	878
Permanent landscape, Ernest Luff Care Home	34	34
Florence House, Peterborough	-	651
Carey Gardens, Kirby Muxloe	<u>1,130</u>	<u>1,130</u>
	<u>6,429</u>	<u>6,907</u>

The gain on disposal of tangible fixed assets for the year is made up of:

	£000
Gain on disposal of Florence House	<u>63</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

11. INVESTMENTS

Unlisted investments £000

Valuation

As at 1 April 2021 and 31 March 2022

2,228

Historic cost

As at 1 April 2021 and 31 March 2022

2,228

The closing balance of unlisted investments related to the charity's 100% controlling interest in Strathclyde House Trust Limited, a charitable company registered in Scotland.

12. DEBTORS AND PREPAYMENTS

2022 £000

2021 £000

Arrears of local authority and residents' contribution	300	149
Amounts due from group entities	1,395	949
Amounts owed from Pilgrim Garden service charge	116	80
Amounts owed from Royd Court service charge	95	51
Amounts owed from Strathclyde service charge	231	60
Other debtors and prepayments	<u>591</u>	<u>234</u>
	<u>2,728</u>	<u>1,523</u>

13. CREDITORS AND ACCRUALS: amounts falling due within one year

2022 £000

2021 £000

Short term loans	175	-
Trade creditors	58	133
Taxation and social security	131	134
Amounts due to group entities	1,841	1,257
Other creditors and accruals	<u>845</u>	<u>790</u>
	<u>3,050</u>	<u>2,314</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds (note 15)	Restricted Funds - general (note 16b)	Restricted Funds - Pilgrim Homes (note 16a)	Total Funds
2022	£000	£000	£000	£000	£000
Fixed assets					
Tangible	5,482	-	-	-	5,482
Investments	-	2,228	-	-	2,228
Current assets	1,921		111	1,465	3,497
Current liabilities	(3,050)	-	-	-	(3,050)
Total Net Assets	<u>4,353</u>	<u>2,228</u>	<u>111</u>	<u>1,465</u>	<u>8,157</u>
2021					
Fixed assets					
Tangible	5,635	-	-	12	5,647
Investments	-	2,228	-	-	2,228
Current assets	2,433	-	95	458	2,986
Current liabilities	(2,314)	-	-	-	(2,314)
Total Net Assets	<u>5,754</u>	<u>2,228</u>	<u>95</u>	<u>470</u>	<u>8,547</u>

15. DESIGNATED FUNDS

	Brought forward at 1 April 2021	Income	Expenditure	Revaluations and transfers	Carried forward at 31 March 2022
2022	£000	£000	£000	£000	£000
Strathclyde House Trust	<u>2,228</u>	-	-	-	<u>2,228</u>
	<u>2,228</u>	-	-	-	<u>2,228</u>
2021					
Futures Fund (Designated)	219	218	(263)	(174)	-
Strathclyde House Trust	<u>2,228</u>	-	-	-	<u>2,228</u>
	<u>2,447</u>	<u>218</u>	<u>(263)</u>	<u>(174)</u>	<u>2,228</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2022

16. a) RESTRICTED FUNDS – PILGRIM HOMES

2022	Brought forward at 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2022 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	411	8,175	(7,291)	(2)	1,293
<i>Pilgrim Homes Restricted Funds</i>					
St Albans	-	85	-	-	85
Homes Voluntary Support Funds (see note 16c)	59	27	(1)	2	87
Total restricted funds – Pilgrim Homes	470	8,287	(7,292)	-	1,465

16. b) RESTRICTED FUNDS – GENERAL

NYCC Grant	1	-	(1)	-	-
Faith in Later Life	-	10	-	-	10
Homes Voluntary Support Funds (see note 16c)	8	8	(1)	(1)	14
Local Homes Project Funds	15	-	-	-	15
Carey Gardens	65	-	-	-	65
Covid-19 LA Grants Fund	-	558	(558)	-	-
Dementia Fund	6	1	-	-	7
Total restricted funds - general	95	577	(560)	(1)	111

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2022

16. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2022	Brought forward at 1 April 2021 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2022 £000
Funds restricted by Pilgrim Homes articles					
Chippenham	3	-	-	-	3
Great Finborough	27	13	(1)	13	52
Evington	-	5	-	(2)	3
Tunbridge Wells	5	-	-	(1)	4
Wantage	3	7	-	(3)	7
Shottermill	20	2	-	(5)	17
Bedford	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total funds restricted by Pilgrim Homes articles	59	27	(1)	2	87
Other restricted funds					
Ernest Luff Care	1	-	-	-	1
Bethany Christian Home	3	-	-	(1)	2
Kirby Muxloe	-	5	-	-	5
Middlefields	-	3	(1)	-	2
Emmaus House	2	-	-	-	2
Florence House	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total Homes Voluntary Support Funds	<u>67</u>	<u>35</u>	<u>(2)</u>	<u>3</u>	<u>101</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2022

16. a) RESTRICTED FUNDS – PILGRIM HOMES (continued)

2021	Brought forward at 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2021 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	38	7,687	(7,314)	-	411
<i>Pilgrim Homes Restricted Funds</i>					
Homes Voluntary Support Funds (see note 16c)	<u>66</u>	<u>36</u>	<u>(43)</u>	<u>-</u>	<u>59</u>
Total restricted funds – Pilgrim Homes	<u>104</u>	<u>7,723</u>	<u>(7,357)</u>	<u>-</u>	<u>470</u>

16. b) RESTRICTED FUNDS – GENERAL

NYCC Grant	1	-	-	-	1
Faith in Later Life	41	84	(125)	-	-
Homes Voluntary Support Funds (see note 16c)	7	4	(3)	-	8
Local Homes Project Funds	15	-	-	-	15
Carey Gardens	-	65	-	-	65
Covid-19 LA Grants Fund	-	688	(688)	-	-
Dementia Fund	<u>4</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>6</u>
Total restricted funds - general	<u>68</u>	<u>843</u>	<u>(816)</u>	<u>-</u>	<u>95</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2022

16. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2021	Brought forward at 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2021 £000
Funds restricted by Pilgrim Homes articles					
Chippenham	1	4	(2)	-	3
Great Finborough	24	10	(7)	-	27
Evington	17	9	(26)	-	-
Tunbridge Wells	3	2	-	-	5
Wantage	3	7	(7)	-	3
Shottermill	18	3	(1)	-	20
Bedford	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
<i>Total funds restricted by Pilgrim Homes articles</i>	66	36	(43)	-	59
Other restricted funds					
Ernest Luff Care	-	1	-	-	1
Bethany Christian Home	2	1	-	-	3
Emmaus House	5	-	(3)	-	2
Florence House	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total Homes Voluntary Support Funds	<u>73</u>	<u>40</u>	<u>(46)</u>	<u>-</u>	<u>67</u>

All Homes Voluntary Support Funds are restricted funds. Income received represents donations received for work at individual care homes and all expenditure is for the benefit of the ongoing work of the specific home. Where a home is lossmaking, at the end of the year the balance on the support fund is transferred to the general fund of the charity to assist in defraying the losses.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

16. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS

Designated Funds

Operational Risk Reserve

This fund consists of funds required to ensure the continuity of care in the event of a major disruption to the operation of the charity.

Futures Funds

The trustees have agreed to designate all legacies received over £100,000 to these funds, which would then be available to meet the costs of redeveloping the properties owned by the group.

Restricted Funds

Pilgrim Homes Fund

This heading includes both the reserves of Pilgrim Homes and the Pilgrim Homes Restricted Fund within Pilgrims' Friend Society, which were transferred to Pilgrim Homes Trust on 31 March 2020.

St Albans and Lucy McNeil Home Funds

These funds relate to the receipt of donations and the proceeds of various fundraising activities for the purpose of establishing new homes.

Watford Tabernacle Almshouse Funds (one restricted and one designated)

During 2004, Pilgrim Homes became responsible for the management of the various funds which constitute the Watford Tabernacle Almshouse Trust. The site was then sold, and suitable accommodation was found for the two remaining residents. The funds from both the restricted and designated funds were utilised in the year for the purchase of the Redbourn flats and a transfer to the General Fund was made.

NYCC grant (Emmaus)

This relates to £2,250 received from NYCC in the year ended 31 December 2007 for the purchase of the Conservatory Heating and a Hospital Bed and Mattress. The grant is being released at the same rate as the depreciation of the assets to which it relates, i.e. 15% reducing balance basis. Therefore, the deduction is the brought forward amount multiplied by 15%.

Faith in Later Life

This represents donations from the Outlook Trust, this charity and a number of partner charities for use towards the costs of the 'Faith in Later Life' initiative mentioned in the Trustees' report. This initiative is in the course of being incorporated as a separate charity and following incorporation the balance of funds held will be transferred to this new charity.

Local Homes Project Funds

These represent the amounts raised and spent by local homes towards specific locally agreed initiatives within specific homes.

Dementia Fund

This fund is utilised to assist in meeting the costs of new initiatives to better look after our residents with dementia.

Homes Voluntary Support Funds

Homes Voluntary support funds represent donations made by supporters for the purpose of improving care at specific homes. These funds are also available, in the event of a home making a trading loss in a financial year, to reduce the loss sustained.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2022

16. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS (continued)

Covid grants

This relates to grants received by local authorities to deal with increased costs of dealing with the pandemic (e.g. staff and personal protective equipment).

Carey Gardens

This represents a donation to fund substantial capital improvements at Carey Gardens, as a supplement to the sinking fund contributions paid by residents.

17. LEASING COMMITMENTS

Operating leases

The charitable company's total future minimum lease payments under operating leases at 31 March 2022 were payable as set out below:

	2022	2021
	£000	£000
Within one year	38	95
Within two to five years	<u>84</u>	<u>-</u>
	<u>122</u>	<u>95</u>

The operating lease charges for the year were:

	2022	2021
	£000	£000
Land and buildings	88	85
Hire of plant and machinery	<u>85</u>	<u>101</u>
	<u>173</u>	<u>186</u>

The lease over 175 Tower Bridge Road, London expired on 31 December 2014. Since that date the charity has continued to pay rent at the existing annual rate of £67,000. The charity is required to give 3 months' notice under Section 27 of the Landlord & Tenant Act 1954 to vacate the premises.

18. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the pension funds. There were contributions of £49,000 due to the fund at the period end (2021: £20,000).

The Society also makes a small number of *ex gratia* pension payments to former employees. The annual commitment to make these payments has been reducing over the past few years and currently stands at around £3,000 per annum. A few years ago, the trustees considered whether to accrue for this liability but, given the amounts payable, the age of those receiving a pension and the complexity of determining an appropriate reserve, no provision was made.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) **For the year ended 31 March 2022**

19. RELATED PARTY TRANSACTIONS

The Pilgrims Friend Group is the ultimate controlling charity of the group. The charity is a subsidiary of The Pilgrims Friend Group by virtue of that charity being the sole member of Pilgrims' Friend Society with the right to appoint directors. Transactions with The Pilgrims Friend Group and its other group undertakings are not disclosed as consolidated financial statements for the group are publicly available.

Details of trustees' and key management personnel and remuneration are disclosed in note 8 to the financial statements.

20. COMPANY LIMITED BY GUARANTEE

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

21. POST BALANCE SHEET EVENTS

The charity acquired the trade and net assets of Koinonia care home and Melbourne Hall Home Trust from 1 April 2022. Melbourne Hall has closed as a care home and the property is now on the market. Koinonia is a care home in Worthing, which will be run by Pilgrim's Friend Society.

Accounts

PILGRIMS' FRIEND SOCIETY

Financial Statements

For the year ended 31 March 2021

COMPANY NUMBER 3027071

CHARITY NUMBER 1045920

PILGRIMS' FRIEND SOCIETY

Contents of the financial statements For the year ended 31 March 2021

Page

1	Trustees' report – statutory information
2 - 10	Trustees' report
11 - 14	Independent auditor's report
15	Statement of financial activities
16	Balance sheet
17	Statement of cash flows
18 - 33	Notes to the financial statements

PILGRIMS' FRIEND SOCIETY

Trustees' report – statutory information For the year ended 31 March 2021

DIRECTORS AND TRUSTEES

Alan Copeman (Chairman)
Genefer Espejo
Robin Turnbull

Bryan Jarvis (Vice-Chairman)
Max Robinson (appointed 30 April 2020)

COMPANY SECRETARY

Adrian Bray (until 31 July 2020)
Debbie Buggs (from 1 August 2020)

REGISTERED OFFICE

175 Tower Bridge Road
London
SE1 2AL

COMPANY NUMBER 3027071
CHARITY NUMBER 1045920

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AUDITORS

Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the charity were the Trustees and the members of Senior Management Team whose names and responsibilities are listed below:

Stephen Hammersley	<i>Chief Executive Officer</i>
Maureen Sim	<i>Director of Operations</i>
Adrian Bray	<i>Company Secretary (to 31/07/20)</i>
Debbie Buggs	<i>Director of Finance (from 01/06/20) and Company Secretary (from 01/08/20)</i>
Andy Walsh	<i>Director of Property Services</i>
Phil Wainwright	<i>Director of Human Resources and IT</i>
Alexandra Davis	<i>Director of Marketing</i>

PILGRIMS' FRIEND SOCIETY

Trustees' report

For the year ended 31 March 2021

The trustees present their report, together with the financial statements of the company for the year ended 31 March 2021. The trustees' report incorporates the directors' report and the strategic report prepared for the purposes of company law.

MISSION REVIEW

At the end of the review of 2019/20, we mentioned that the Covid-19 pandemic had just taken hold in the UK with "lockdown" being advised to the nation on 23 March 2020.

It has been a extremely challenging year. It is impossible to describe the year accurately using statistics as until the summer the testing available to all care homes was inadequate and we were only able to identify people as having the virus when they became significantly unwell. Notwithstanding that the numbers undercount the reality of the situation, they illustrate the severity of the challenges we faced. Over half of our staff had to be absent from work at one time or another because of covid related reasons and just over 30% of our residents became ill or were tested positive with the virus. We estimate that 30 of the people living with us died because of covid in outbreaks in five of our homes.

There were many acts of selfless heroism shown by our staff colleagues for which this charity is profoundly grateful. Many others just kept on going when tired and under pressure and coped admirably with the new ways of working that we had to adopt, and the charity acknowledges the dept of gratitude owed to these people too.

The people who live with us were also a powerful witness to the reality of the Christian message that Jesus Christ has triumphed over death, evil and darkness. There were significant challenges and moments of loss and grief, but our homes and schemes have also been places where joy and hope have been evident as anyone looking at our Facebook feeds will have seen. Our managers have testified to the reality of the promises seen in the Bible, notably in Psalm 23, that God is with us as we walk through the Valley of the shadow of death. The object of the Charity is to advance the Christian faith and we have been able to do this throughout this pandemic as we have supported people in the most testing of times and we have been strengthened by the need to support each other and to make prayer more central to our work.

Throughout the pandemic we have been concerned about the mental wellbeing of our residents and their relatives. We have complied with government guidance but wherever possible, and particularly when people were towards the end of life, we did everything we could to facilitate meaningful and safe visits. We surveyed relatives in the summer of 2020, and we were pleased to learn that our efforts were recognised and very much appreciated.

The trustees have been briefed regularly on the risks of the pandemic and have reviewed the lessons learned. Key elements of our response that proved invaluable were:

- appointing a "Covid Lead" early on to co-ordinate our response and to make sure that we were proactive in sourcing Personal Protective Equipment (including importing direct from overseas)
- regular and timely (daily initially) bulletins interpreting what was initially variable and imprecise public health guidance.
- regular (weekly initially) conference calls with managers.
- a daily prayer opportunity over zoom
- two short zoom conferences focusing on the spiritual wellbeing of our managers.
- regular communications to all staff and bespoke thank yous to colleagues who were leading our teams.

Shortly after the year end, nearly all the people living with us had been vaccinated (98%). Around 81% of the workforce had been vaccinated, slightly higher than the 80% advised by SAGE (Scientific Advisory Group for Emergencies) to provide a minimum level of protection against outbreaks of the covid and we have in place a

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2021

programme that makes sure that we know the reasons why people have declined, and we continue to encourage uptake. With very few new infections from March 21 we have moved into what we call our “recovery” phase – the virus is still the dominant theme, but we are also now consciously looking forward and picking up on some of the other work that was deprioritised while we were in crisis response mode.

Although the pandemic response has dominated this year, the charity was able to make some progress towards the goals that we believe will help us achieve our vision of fulfilled living for people in later life. The strategies we followed, and the progress made is as follows:

Strengthening our organisation

The purpose of this strategy was originally to prepare the charity for the growth that will result from our plans to replace our old buildings with new facilities designed to better meet the needs of people who live with. This programme to renew our physical infrastructure over the next decade or so is known as our “Renewal Programme”.

But the pandemic has also highlighted that having a strong organisation is necessary to help us withstand shocks such as covid19.

During the year we have invested in our support teams and in our home and scheme operations, the key features bring:

- We have introduced the new role of Activity and Community Engagement Facilitators to our homes. this has a genuine occupational requirement that the job holder be a Christian and will strengthen the Christian Life of our homes with a richer and fuller spread of activities delivered post pandemic through more volunteers and better links with the community and local churches. We also convened a project within our Operations team and to find and support volunteers better and this is ready to move to implementation once pandemic restrictions ease.
- We have strengthened our central support functions with new people joining our Operations, Marketing and Communications and, towards the end of the year, our HR teams.
- We have invested in our IT infrastructure to reduce risks, improve our capabilities, and to make sure that our precious people are able to work well and effectively. We have a new supporter and volunteer database that will enable better communications and eliminates some of the GDPR risks identified in our previous system; we have mobile point of care in our homes so that care plans can be updated through hand held devices rather than laptops; we are rolling out systems to support staff rostering and medication management; we are upgrading Wi-Fi connectivity in our facilities to maximise availability for people who live and work with us; and we have replaced some old unsupported equipment that posed a cyber security risk.
- Although we have had to defer the next stages of our investment in the leadership skills and competencies of our managers, we have worked with them and all colleagues to identify a set of four core values that we will use to shape the way that we work together. After a process of consultation these were shared with stakeholders towards the end of the year for final feedback before we proceed to embed them in our way of working and use them to shape our culture.
- The Board reviewed its governance processes and updated them so that they are now fully consistent with the Charity Governance Code rather than the previous “Hallmarks of an Effective Charity” guidance.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2021

- We have sourced additional pastoral and prayer support for our managers and staff and promoted the existing wellbeing services included within our staff benefits package in recognition of the ongoing and cumulative pressures on all staff, but particularly those serving in our homes and schemes.

Delivering High Quality Christian Care and support.

Before the pandemic struck, and after a long period of prayer and planning, the trustees committed the charity to the "Renewal Programme" designed to ensure that all our premises that have a long-term future are invested in so that they enable the delivery of excellent care and support and that our other premises are replaced by new buildings.

The first of our new build properties, Middlefields House in Chippenham, is on track to be delivered in line with our budget and plan to open in August/September 2021. This is quite extraordinary given the challenges of the pandemic period. Our new design and concept of family living in small, homely households joined to make and economically effective larger unit is highly consistent with what is now seen to be best practice to minimise infection risk. The pandemic has increased the urgency associated with the Renewal Programme as having well designed space makes infection control easier.

We were also pleased that during the year we were given 13 flats, known as Carey Gardens, previously managed by the Kirby Muxloe Free Church Housing Association and these will operate as a satellite site to the Pilgrim Gardens housing scheme at nearby Evington.

We were also pleased that during the year we were given 13 flats previously managed by the Kirby Muxloe Free Church Housing Association and these will operate as a satellite site to the Pilgrim Gardens housing scheme at nearby Evington.

Notwithstanding the pandemic we have been able to carry on with many of our planned investments in our other homes including completing the ground floor remodelling and refurbishment of our home in Haslemere; a significant dining room extension at our home in Walton on the Naze; and improvements at our home in Wantage.

In terms of how we look after people, we have continued to extend The Way We Care, our bespoke care model which prioritises seeing the whole person, not just their physical needs, and creates communities in which they can flourish. Training has been significantly challenged by the pandemic by we have refreshed the training at our home in Tunbridge Wells and introduced the concept at our existing home in Chippenham, so we are ready for things to be operational when we start at Middlefields House.

Growing our impact

Our impact has been significant this year. We have seen thirty more deaths than usual and many more of the people living with us ill or worried about becoming ill. Being able to support people through this period has been immensely important and the following "impact factors" have been pivotal:

- The importance of family-like community and the support that people living with us have been to each other, sharing faith and encouragement.
- The value of our staff colleagues particularly when help is most needed – towards the end of life or when we have had to run our homes and schemes with people internally isolated and visiting is limited.

The evidence for our impact is the feedback from families and the feeds on our Facebook pages that are full of people sharing hope and joy in community together.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2021

It is also important to remember the wider context, for all this year apart from the terrible early months when the NHS was prioritised over care homes and guidance was lagging and changing, care homes facilities (including our homes and schemes) were much safer and experienced fewer excess death than for older people living at home.

We have been prominent in Christian media in the year helping people understand matters to do with faith and care in older age in a pandemic. We have had significant interest in our new Grief and Loss booklet and our relaunched Dementia Information Pack, as well as our Brain and Soul Boosting workbooks and our now quarterly magazine. We launched a new website which made navigating our homes, schemes, and resources much easier, and our social media channels did an excellent job in offering a snapshot of life in our homes and schemes during a time when visiting was severely restricted.

Our support of Faith in Later Life has also been of significant benefit to older people. This charity is taking forward that our vision to see the Christian Faith advanced and older people supported in areas where we have no home on the ground. During the year this became fully operational as an independent charity and we were able to significantly reduce the work that we do through our restricted fund that preceded it.

Faith in Later Life has reached several million people with messages of encouragement and equipping through BBC local radio, Christian media, and some national players such as Talk Radio. It has been able to convene work on a national scale as it has become known as the place to go to access churches and Christian work amongst older people. It has been consulted by MPs on parliamentary groups concerned with older age; it has produced guidance for churches in partnership with the National Centre for post qualifying Social work that will be vital for any church project that wants to take referrals from the state under social prescribing or other policies; and perhaps most notably it was a founding partner of "Daily Hope" launched by the Archbishop of Canterbury to offer telephone Christian fellowship to older people unable to access church through the lockdowns via the internet. As at 31/3/21 Daily Hope had clocked up over 4 million minutes of listening time. On the ground the number of volunteers who associate with Faith in Later Life has grown strongly and now number close to 400. These "church champions" attend training via Zoom and have been active in reaching out to lonely people using post cards and other resources provided by Faith in Later Life. The feedback from Church Champions is catalogued in a database and this is starting to become good evidence of impact as people report friendships developing (reduced loneliness) and people coming to faith or having their faith re-kindled.

On average over the year at any one time we were caring for and supporting around 420 older people against a total maximum possible of 510 across all our facilities (including Strathclyde house and Kirby Muxloe flats).

FINANCIAL REVIEW

This has been a challenging year because of the pandemic. The thirty pandemic related deaths, concentrated in five homes where we had an outbreak represented 13% of the people living with us and it is the understandable reluctance of people to move into care when doing so means a period of isolation and restricted visiting that has been the primary reason why our occupancy has been around 8% lower than budgeted for most of the year. This represents c£800,000 of lost income.

Our costs have also increased because of PPE requirements and additional infection control procedures (arranging and facilitating visits, testing etc) but these have been offset by local authority infection control grants that totalled £0.7m.

The net result of the above is that we broke even from our trading operations before depreciation. This was a better outcome than we had feared in the early stages of the pandemic.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2021

Overall, excluding planned investment in Middlefields, there was a cash outflow on necessary capital spend of £0.8m.

The rate at which occupancy recovers is key to the long-term impact of the pandemic. We have been pleased to see occupancy at Evington recovering well but needing 11 months after its outbreak before people started to move in. This shows that a home can recover from the reputational impact of an outbreak.

Apart from the usual temporary "blips" occupancy has recovered well during the year with the exception of Great Finborough (where a particularly severe outbreak has reduced occupancy to around 65%) and Peterborough where another bad outbreak in February 2021 has reduced occupancy to levels of under 40% that are only viable in the very short term.

Overall performance

The key measure of performance used in the charity's management accounts is its earnings before interest, tax, depreciation amortisation and rent (EBITDAR).

EBITDAR for the year is reported as £882,000. Excluding the gift of Carey Gardens, the net result is that the underlying EBITDAR was negative £248,000.

STATUTORY INFORMATION

Our objects and how we seek to fulfil them

The Pilgrims Friend Group is a non-trading charitable company which is the sole corporate member of Pilgrims' Friend Society, Pilgrim Homes and Pilgrim Homes Trust. In turn, Pilgrims' Friend Society is the sole corporate member of Strathclyde House Trust. The governing document is the articles of association.

The Pilgrims' Friend Group exists to research and understand the context for the delivery of Christian Care and it sets policies and provides direction for the charities in its group. The board of this charity makes significant decisions for the running of the group. All of the Members of the Board of Trustees of The Pilgrims' Friend Group are also on the board of one or more of the Group's subsidiary entities. The trustees of the Pilgrims' Friend Group are distributed so that we have the capacity to manage conflicts of interest and receipt transaction between charities.

Pilgrims' Friend Society and The Pilgrim Friends Group have identical objects with the primary object being "the advancement of the Christian faith and the relief of poverty, sickness, disablement, old age and infirmity for the public benefit to the glory of God". Strathclyde House Trust has similar objectives to these two charities.

The objects of Pilgrim Homes and its successor charity, Pilgrim Homes Trust are: "The relief either individually or collectively of poverty, sickness, disablement, and infirmity of older people of the Protestant Christian faith including by the provision and maintenance of residential care and housing".

Pilgrims' Friend Society advances the Christian faith by operating Christian care and housing for older people and by producing resources that inspire, encourage and equip others in their work of caring for older people.

Pilgrims' Friend Society operates all our homes and schemes in the group in the same way to ensure the same quality of Christian Care and to give us economies of scale in our operations.

Pilgrim Homes Trust (and Pilgrim Homes before it) fulfils its objects through the ownership of care homes and

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2021

housing schemes which are operated on its behalf by Pilgrims' Friend Society. Pilgrim Homes Trust is the group charity building the first of our Renewal Programme homes at Chippenham (Middlefields House).

The Annual Review section of this report sets out how our work provides accommodation and care to older people through the provision of Christian care in a residential setting to those who are over 65 and in need of such accommodation or care as a result of their age, poverty, sickness or disablement.

Our charities advance the Christian faith by ensuring that beneficiaries have every opportunity to pursue their Christian lives. Regular devotions, opportunities to pray and be supported in prayer, Christian services, Bible studies, opportunities to share fellowship and express Christian beliefs and values through crafts and activities are available in all our homes and schemes.

Domiciliary care for residents in our extra care housing scheme at Royd Court in Mirfield is provided by Pilgrim Care, part of Pilgrims' Friend Society.

The benefits of our work are people living safe and fulfilled lives in their later years when they need Christian care and support.

Pilgrims' Friend Society and Strathclyde House Trust (of which it is the sole member) provide a safe, secure environment and a Christian community with opportunities for fellowship with like-minded Christian people.

Public Benefit

The charity's trustees have considered the guidance regarding public benefit when considering and planning their objectives and activities for the year.

Employment Policies

Pilgrims' Friend Society always selects staff colleagues based on their ability to do the job on offer based on a "Person Specification" for each post. We are fully compliant with Equalities legislation and recognise our obligations, under Disability Discrimination legislation, to consider reasonable modifications to allow people living with a disability to take up employment. We have a genuine occupational requirement for some posts to be filled by Protestant Christians, who agree with our doctrinal basis, to maintain our founding Christian ethos. These issues are dealt with fully under the charity's Equal Opportunities policies.

All our homes hold regular meetings for all colleagues which are designed to impart information regarding developments within the charity and to give staff opportunity to raise issues. Where any specific proposal is likely to have a significant impact on individual members of staff, such staff are consulted in line with current legislation and good practice.

We are in regular communication with our staff colleagues on all matters relating to their terms and conditions of employment. The managers of our homes meet twice a year as the "senior team" and this includes discussion with the trustees as to the future direction of the Society. Significant changes to the work of the Society are typically preceded by a consultation with colleagues in our homes and our volunteers sometimes involving a visit by a member of the executive team and a trustee. We encourage colleagues' involvement in the Society's performance and their awareness of the factors affecting our work through a monthly prayer bulletin that is posted on the noticeboards in all our homes and schemes.

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued)

For the year ended 31 March 2021

Volunteers

Our home visitors, friends and auxiliary committees are a vital aspect of our work. As well as raising some of the finances we need they also make them go much further through their volunteering. We are particularly grateful to visitors who provide much needed comfort and company to residents and those who lead the regular acts of worship in our homes. The Charity Commission requires we state a number for these volunteers, and we estimate this to be around 200.

Future developments

These are discussed in the Annual Review section of this report.

Related parties

The trustees of the charity consider the following to be related parties:

1. Key Management Personnel of Pilgrims' Friend Society
2. The following charities:
 - a. The Pilgrims Friend Group (TPFG) – the ultimate holding company of this Charity.
 - b. Pilgrim Homes (PH) – a fellow subsidiary of the Pilgrims Friend Group.
 - c. Pilgrim Homes Trust (PHT) – a fellow subsidiary of the Pilgrims Friend Group.
 - d. Strathclyde House Trust (SHT) – a subsidiary of this Charity.
3. PFG Trading Limited – a limited company
4. Aged Pilgrims' Friend Society Trust Limited (APFST) – a non-trading limited company which, holds title to the properties owned by Pilgrim Homes. APFST is a wholly owned subsidiary of Pilgrim Homes Trust holds title to the properties on behalf of Pilgrim Homes Trust.

Investment policy

The cost of the Renewal Programme at Chippenham (building Middlefields House) has been funded to date by investing surplus cash reserves, and the sale of investments and property in related entities. Further sales of property at Redbourn and Brighton will fund the remainder of the cash outlay, and because the timing of these cash inflows are difficult to predict, £2.5m was borrowed from Lloyds Bank in June 2021.

Given the need for cash, the trustees take the view that it is better to retain the majority of the charity's funds in bank deposits, rather than investing in other forms of investment.

Principal sources of funding

The charity expects to continue to raise most of its income from fees charged to residents of its homes and by charges for its housing. The Renewal Programme will be funded by borrowing, social investment, the sale of some property assets and donations.

As mentioned above, the group has agreed a bridging loan facility of £2.5million with Lloyds Bank to cover timing differences and other short-term impacts of Covid on the group. This comprises a £1.5million Coronavirus Business Interruption Loan under the government facility and a further £1 million interest only loan with Lloyds Bank.

Accommodation charges policy

As with the other related charities, this charity sets the level of charges for accommodation in its care homes

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2021

based on local market conditions. It does not discriminate against older Christians who may not have the resources to meet the costs of their own care and we accept residents whose fees are met on their behalf by local authorities, notwithstanding the shortfall that then arises. In these circumstances we seek a 'top-up' from family or friends where possible.

Fundraising

Pilgrims' Friend Society does not employ outside or commercial fund-raisers. We make sure that our supporters are kept up to date with our work and that they have the opportunity to give to support it. It issues a magazine twice a year and solicits prayer for the work of the charity. Both the magazine and the prayer updates issued by the charity may include mention of financial needs. No complaints have been received in the year about our fundraising. Pilgrims' Friend Society is registered with the Fundraising Regulator.

Risks and regulations

The charity maintains a comprehensive register of risks which is reviewed by the Key Management Personnel at their monthly meetings and by trustees at every trustee meeting. Risks are rated as to both their likelihood and severity. The greatest risks faced by the Charity are:

Risk	Actions to mitigate
Pandemic seriously impairs the charity's ability to deliver care and head office services to the homes	Contingency and continuity plans; pandemic policy
The charity is unable to recruit staff with the necessary skills	Apprenticeships, career paths and action plans in place. Remuneration policy. Lobbying through the National Care Forum when changes to immigration rules threaten staff availability.
Reduced occupancy in the charities homes means they are no longer viable	Effective occupancy marketing. Performance data monitored and acted on.
Financial drain on the charity from the pandemic	Close monitoring of cash, liquidation of illiquid investments, use of bank loans

Reserves

The Charity holds funds of £8,547,000 at the year end. Restricted funds account for £565,000 of this and most of these reserves can be used to fund operational costs of a proportion of the operating entities (the Pilgrim Homes). Of the general and designated funds, £7,863,000 could only be realised by disposing of tangible fixed assets or programme related investments. In addition, a further £1,560,000 is allocated to funding the remaining costs of the new home at Middlefields. This means that the reserves (that is, the part of the charity's unrestricted funds that is freely available to spend on any of the charity's purposes) is a negative £1,441,000 a shortfall of £2,441,000 against a target of £1,000,000. To bridge this gap, the charity has access to £2.5m of loan finance (drawn down in June 2021) which it will repay using proceeds from the sale of investment properties and a former home which is now closed.

Trustee recruitment and training

Trustees are appointed at a board meeting following a nomination process. Candidates must meet a strict set of specifications concerning personal competence, specialist skills, availability and Christian belief. Once the Board and new trustee decide to proceed with a formal appointment there follows an induction period to familiarise the new trustee with the charity's operations. Newly appointed trustees meet with the Chief Executive and members of the Senior Management Team to provide an introduction to the affairs of the charity, key operational methods

PILGRIMS' FRIEND SOCIETY

Trustees' report (continued) For the year ended 31 March 2021

and the current strategic plan. Trustee performance is subject to an annual review by the Chairman.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Pilgrims' Friend Society for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company 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 charitable company and of the income and expenditure, of the charitable company for that period. In preparing these 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 judgments and accounting 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, 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 trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITORS

Jacob Cavenagh & Skeet were the charitable company'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

A Copeman

Mr A Copeman (Chairman)

Date: 23 September 2021

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society For the year ended 31 March 2021

OPINION

We have audited the financial statements of Pilgrims' Friend Society (the charity) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2021 and of its incoming resources and application of resources 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 director's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2021**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within 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 the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with 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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, 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 charity'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 company or to cease operations, or have no realistic alternative but to do so.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) For the year ended 31 March 2021

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to charity financial reporting, employment, health & safety and care and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to:

- accounting measurements of property
- disclosure of capital commitments or provisions
- recognition of legacy income
- fraudulent extraction of cash
- government grants

In response to the risks identified we designed procedures which included, but were not limited to:

- reviewing third party evidence of investment property valuations
- agreeing financial statement disclosures to underlying supporting documentation
- identifying and reviewing journal entries
- discussions with management and review of legal correspondence
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls
- testing the calculation of claims made under Coronavirus grants

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

PILGRIMS' FRIEND SOCIETY

Independent auditor's report to the trustees of Pilgrims' Friend Society (continued) **For the year ended 31 March 2021**

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 and regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Newton

Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date: 28 September 2021

PILGRIMS' FRIEND SOCIETY

Statement of financial activities (incorporating the income and expenditure account) For the year ended 31 March 2021

		2021			2020		
		Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000	Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000
Note							
Income from:							
Donations and legacies	2	1,699	261	1,960	213	243	456
Investments	3	1	37	38	8	97	105
Charitable activities	4	3,353	8,235	11,588	3,526	8,192	11,718
Other trading activities		4	13	17	-	784	784
Other income – CJRS grants		8	20	28	-	-	-
Total income		5,065	8,566	13,631	3,747	9,316	13,063
Expenditure on:							
Raising funds	5	29	33	62	27	7	34
Charitable activities	6	4,826	8,140	12,966	4,162	9,550	13,712
Total expenditure		4,855	8,173	13,028	4,189	9,557	13,746
Net (losses) on investments		-	-	-	-	(207)	(207)
Net income/(expenditure)		210	393	603	(442)	(448)	(890)
Transfers between funds		-	-	-	(457)	457	-
Other gains/(losses)							
Net assets gifted to Pilgrim Homes Trust		-	-	-	-	(10,476)	(10,476)
Net assets gifted by Strathclyde House Trust		-	-	-	2,228	-	2,228
Net movement in funds		210	393	603	1,329	(10,467)	(9,138)
Reconciliation of funds							
Total funds brought forward		7,772	172	7,944	6,443	10,639	17,082
Total funds carried forward		7,982	565	8,547	7,772	172	7,944

All the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 18 to 33 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Balance sheet

As at 31 March 2021

		2021	2020
	Note	£000	£000
Fixed assets			
Tangible assets	9	5,647	4,458
Investments	10	<u>2,228</u>	<u>2,228</u>
		7,875	6,686
Current assets			
Debtors and prepayments	11	1,523	559
Cash equivalents on deposit		-	1,101
Cash at bank and in hand		<u>1,463</u>	<u>2,369</u>
		2,986	4,029
Creditors: Amounts falling due within one year	12	<u>(2,314)</u>	<u>(2,771)</u>
Net current assets		<u>672</u>	<u>1,258</u>
Total assets less current liabilities		<u>8,547</u>	<u>7,944</u>
Funds:	13		
Unrestricted funds	13,14	7,982	7,772
Restricted funds	15	<u>565</u>	<u>172</u>
Total Funds		<u>8,547</u>	<u>7,944</u>

The financial statements were approved by the Trustees on 23 September 2021 and signed on their behalf by:

A Copeman
A R Copeman
Chairman

B Jarvis
B R Jarvis
Trustee

S Hammersley
S Hammersley
Chief Executive

Company Registration No: 3027071

The notes on pages 18 to 33 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Statement of cash flows

For the year ended 31 March 2021

	2021 £000	2020 £000
Cash flows from operating activities		
<i>Trading and donations</i>		
Net movement in funds	603	(9,138)
Depreciation	279	415
Interest and dividends included in investing activities	(38)	(105)
(Gain)/loss on disposal of fixed assets	2	(2)
Donation of property	(1,130)	-
Realised (gains) on disposal of investments	-	(25)
Movement in fair value of investments	-	232
Net cash (used in) trading and donations	(284)	(8,623)
<i>Working capital movements</i>		
Decrease in housing stocks at Royd Court and Pilgrim Gardens	-	777
(Increase)/decrease in debtors	(964)	25
(Decrease)/increase in creditors	(457)	1,904
Net cash provided by working capital movements	(1,421)	2,706
Net cash (used in) operating activities	(1,705)	(5,917)
Cash flows from investing activities		
<i>Tangible fixed assets</i>		
Payments on additions of tangible fixed assets	(340)	(300)
Proceeds on disposal of tangible fixed assets	-	13
Transfer of tangible fixed assets to Pilgrim Homes Trust	-	1,825
Net cash (used in)/provided by tangible fixed assets	(340)	1,538
<i>Fixed asset investments</i>		
Interest and dividends received	38	105
Payments on additions of fixed asset investments	-	(2,927)
Proceeds on disposal of fixed asset investments	-	670
Transfer of fixed asset investments to Pilgrim Homes Trust	-	4,100
Transfer of fixed asset investments to The Pilgrims' Friend Group	-	43
Net cash provided by fixed asset investments	38	1,991
Net cash (used in)/provided by investing activities	(302)	3,529
Net cash (outflow)	(2,007)	(2,388)
Cash and cash equivalents at 1 April 2020	3,470	5,858
Cash and cash equivalents at 31 March 2021	1,463	3,470

The notes on pages 18 to 33 form part of these financial statements.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements For the year ended 31 March 2021

1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in England and Wales and is governed by its Memorandum and Articles of Association. Its registered office is 175 Tower Bridge Road, London SE1 2AL.

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

1a. Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include certain investments and financial instruments at fair value.

1b. Consolidation

This charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage of exemptions from the requirement to disclose transactions with other group undertakings.

The financial statements of the charity are consolidated in the financial statements of The Pilgrims Friend Group. These consolidated financial statements are available from its registered office at 175 Tower Bridge Road, London SE1 2AL.

1c. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1d. Tangible fixed assets

Fixed assets are recorded at historic cost. Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight-line basis:

Land	nil
Buildings	100 years
Roof	70 years
Electrics	40 years
Windows, doors, heating and plumbing	30 years
Bathrooms and lifts	20 years
Kitchens – sheltered	20 years
Boilers	15 years
Kitchens – residential	10 years
Furniture and equipment – sheltered	10 years
Hard landscaping	5 years
Motor vehicles	4 years
Computer equipment	4 years

1e. Income

Housing and care income is recognised on the basis of the period that the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

For Job Retention Scheme government grant income, the income is recognised in the period to which the underlying furloughed staff costs relate to. For performance related Covid-19 LA care grants, the income is recognised when the conditions of the grants have been met.

1f. Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

1g. Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

1h. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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 trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in note 17 to the financial statements.

1i. Leases

Rentals payable under operating leases are dealt with on a straight-line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

1j. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1k. Investments

Investments in subsidiary charities are included at the historic cost less provisions for impairment.

1l. Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1m. Cash and cash equivalents

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

1n. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount. Concessionary loans are included at historic cost.

1o. Financial instruments

The charity only has financial assets and 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.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Donations	587	174	761	395
Gift of Property from Kirby Muxloe Church	1,065	65	1,130	-
Legacies	<u>47</u>	<u>22</u>	<u>69</u>	<u>61</u>
	<u>1,699</u>	<u>261</u>	<u>1,960</u>	<u>456</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Rental of investment properties	-	33	33	39
Bank interest	1	4	5	21
Dividends	-	-	-	45
	<u>1</u>	<u>37</u>	<u>38</u>	<u>105</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Care fees	3,206	6,857	10,063	10,765
Housing income	147	690	837	953
Covid-19 LB care grants	-	688	688	-
	<u>3,353</u>	<u>8,235</u>	<u>11,588</u>	<u>11,718</u>

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Publicity and deputation	<u>29</u>	<u>33</u>	<u>62</u>	<u>34</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
<i>Activities split by fund:</i>				
Housing	69	832	901	875
Care	3,953	7,158	11,111	11,103
Cost of extra care leases sold	-	-	-	778
Education and training	133	76	209	184
Raising awareness	84	25	109	95
General support costs	<u>306</u>	<u>49</u>	<u>355</u>	<u>264</u>
	<u>4,545</u>	<u>8,140</u>	<u>12,685</u>	<u>13,299</u>
Depreciation and loss on disposal	<u>281</u>	-	<u>281</u>	<u>413</u>
	<u>4,826</u>	<u>8,140</u>	<u>12,966</u>	<u>13,712</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2021

6. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

<i>Analysis by activity:</i>	Housing £000	Care £000	Extra care leases £000	Education & training £000	Raising awareness £000	General support £000	Total 2021 £000	Total 2020 £000
Salaries and wages	305	7,287	-	71	25	1,215	8,903	8,569
Food	99	466	-	-	-	-	565	614
Administrative expenses	34	375	-	4	-	488	901	830
Repairs and maintenance	193	604	-	-	-	-	797	779
Heat and light	51	249	-	-	-	-	300	318
Other expenses	64	722	-	134	84	-	1,004	694
Cost of extra care leases sold	-	-	-	-	-	-	-	778
Professional fees	-	18	-	-	-	177	195	217
Governance costs: audit fees	-	-	-	-	-	22	22	20
In specie donations to Pilgrim Homes	-	-	-	-	-	-	-	510
Allocated administrative costs	<u>155</u>	<u>1,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,547)</u>	<u>(2)</u>	<u>(30)</u>
	901	11,111	-	209	109	355	12,685	13,299
Buildings depreciation	23	153	-	-	-	-	176	183
General depreciation	3	68	-	-	-	32	103	232
Loss/(gain) on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>(2)</u>
	<u>927</u>	<u>11,332</u>	<u>-</u>	<u>209</u>	<u>109</u>	<u>389</u>	<u>12,966</u>	<u>13,712</u>

During the year the auditors were paid £10,000 for accountancy services (2020: £42,000).

Support costs (less allocated administrative costs):

Staff costs	1,215	1,145
Depreciation	32	38
Loss on disposal	2	(2)
Professional fees	199	217
Other administrative expenses	<u>488</u>	<u>461</u>
	<u>1,936</u>	<u>1,859</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

7. STAFF COSTS

	2021 £000	2020 £000
Wages and salaries	7,206	7,118
Redundancy costs	25	60
Social security costs	483	455
Pension costs	273	266
Agency staff costs	<u>916</u>	<u>670</u>
	<u>8,903</u>	<u>8,569</u>

The average number of staff employed in the period on a headcount basis was:

	No	No
Homes	445	470
Head Office	<u>29</u>	<u>28</u>
	<u>474</u>	<u>498</u>

The average number of staff employed in the period on a full-time equivalent basis was:

	No	No
Homes	282	288
Head Office	<u>27</u>	<u>25</u>
	<u>309</u>	<u>313</u>

The emoluments of two employees exceeded £60,000 in the year ended 31 March 2021 (2020: two). One of those employees earned between £60,000 and £70,000 and the other earned between £80,000 and £90,000 (2020: one between £60,000 and £70,000 and one between £80,000 and £90,000).

No remuneration was paid to any trustee during the year (2020: £nil). Travel expenses of £nil (2020: £2,864) were reimbursed to 0 trustees (2020: 6 trustees) for items incurred wholly, exclusively and necessarily in the course of the charity's activities.

The total aggregate remuneration of Key Management Personnel for the year was £472,484 (2020: £399,707).

The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) paid to family members of the trustees was £59,815 (2020: £57,812).

8. NET INCOME/(EXPENDITURE)

	2021 £000	2020 £000
This is stated after charging:		
Depreciation	279	415
Loss on disposal	2	(2)
Auditors' remuneration for audit services	22	20
Auditors' remuneration for other services	<u>10</u>	<u>42</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Furniture, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
As at 1 April 2020	5,485	868	104	6,457
Additions	1,422	48	-	1,470
Disposals	-	(30)	-	(30)
As at 31 March 2021	<u>6,907</u>	<u>886</u>	<u>104</u>	<u>7,897</u>
Depreciation				
As at 1 April 2020	1,375	585	39	1,999
Charge for the year	176	81	22	279
Released on disposals	-	(28)	-	(28)
As at 31 March 2021	<u>1,551</u>	<u>638</u>	<u>61</u>	<u>2,250</u>
Net book value				
As at 31 March 2021	<u>5,356</u>	<u>248</u>	<u>43</u>	<u>5,647</u>
As at 31 March 2020	<u>4,110</u>	<u>283</u>	<u>65</u>	<u>4,458</u>

	2021 £000	2020 £000
At cost or donated value:		
Bethany Christian Home, Plymouth	583	576
Ernest Luff Care Home, Walton-on-the-Naze	2,078	1,840
Ernest Luff Housing, Walton-on-the-Naze	1,553	1,545
Emmaus Care Home, Harrogate	878	869
Permanent landscape, Ernest Luff Care Home	34	34
Florence House, Peterborough	651	621
Carey Gardens, Kirby Muxloe	<u>1,130</u>	-
	<u>6,907</u>	<u>5,485</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

10. INVESTMENTS

Unlisted investments £000

Valuation

As at 1 April 2020 and 31 March 2021

2,228

Historic cost

As at 1 April 2020 and 31 March 2021

2,228

The closing balance of unlisted investments related to the charity's 100% controlling interest in Strathclyde House Trust Limited, a charitable company registered in Scotland.

11. DEBTORS AND PREPAYMENTS

2021 £000

2020 £000

Arrears of local authority and residents' contribution	149	329
Amounts due from group entities	1,009	65
Amounts owed from Pilgrim Garden service charge	80	1
Amounts owed from Royd Court service charge	51	7
Other debtors and prepayments	<u>234</u>	<u>157</u>
	<u>1,523</u>	<u>559</u>

12. CREDITORS AND ACCRUALS: amounts falling due within one year

2021 £000

2020 £000

Trade creditors	133	444
Taxation and social security	134	92
Amounts due to group entities	1,257	1,682
Other creditors and accruals	<u>790</u>	<u>553</u>
	<u>2,314</u>	<u>2,771</u>

Following the advent of lockdown restrictions, there was a delay in the March 2020 purchase ledger payment run, resulting in an increase in the amount owed to trade creditors at the prior year end.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)
For the year ended 31 March 2021

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Funds (note 14)	Restricted Funds - general (note 15b)	Restricted Funds - Pilgrim Homes (note 15a)	Total Funds
2021	£000	£000	£000	£000	£000
Fixed assets					
Tangible	5,635	-	-	12	5,647
Investments	-	2,228	-	-	2,228
Current assets	2,433	-	95	458	2,986
Current liabilities	(2,314)	-	-	-	(2,314)
Total Net Assets	<u>5,754</u>	<u>2,228</u>	<u>95</u>	<u>470</u>	<u>8,547</u>
2020					
Fixed assets					
Tangible	4,458	-	-	-	4,458
Investments	-	2,228	-	-	2,228
Current assets	3,638	219	68	104	4,029
Current liabilities	(2,771)	-	-	-	(2,771)
Total Net Assets	<u>5,325</u>	<u>2,447</u>	<u>68</u>	<u>104</u>	<u>7,944</u>

14. DESIGNATED FUNDS

	Brought forward at 1 April 2020	Income	Expenditure	Revaluations and transfers	Carried forward at 31 March 2021
2021	£000	£000	£000	£000	£000
Futures Fund (Designated)	219	218	(263)	(174)	-
Strathclyde House Trust	2,228	-	-	-	2,228
	<u>2,447</u>	<u>218</u>	<u>(263)</u>	<u>(174)</u>	<u>2,228</u>
2020					
Futures Fund (Designated)	268	47	(96)	-	219
Strathclyde House Trust	-	-	-	2,228	2,228
	<u>268</u>	<u>47</u>	<u>(96)</u>	<u>2,228</u>	<u>2,447</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2021

15. a) RESTRICTED FUNDS – PILGRIM HOMES

2021	Brought forward at 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2021 £000
Funds restricted by Pilgrim Homes articles:					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	38	7,687	(7,314)	-	411
<i>Pilgrim Homes Restricted Funds</i>					
Homes Voluntary Support Funds (see note 15c)	<u>66</u>	<u>36</u>	(<u>43</u>)	<u>-</u>	<u>59</u>
Total restricted funds – Pilgrim Homes	<u>104</u>	<u>7,723</u>	(<u>7,357</u>)	<u>-</u>	<u>470</u>

15. b) RESTRICTED FUNDS – GENERAL

NYCC Grant	1	-	-	-	1
Faith in Later Life	41	84	(125)	-	-
Homes Voluntary Support Funds (see note 15c)	7	4	(3)	-	8
Local Homes Project Funds	15	-	-	-	15
Carey Gardens	-	65	-	-	65
Covid-19 LA Grants Fund	-	688	(688)	-	-
Dementia Fund	<u>4</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>6</u>
Total restricted funds - general	<u>68</u>	<u>843</u>	(<u>816</u>)	<u>-</u>	<u>95</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2021

15. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2021	Brought forward at 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Carried forward at 31 March 2021 £000
Funds restricted by Pilgrim Homes articles					
Chippenham	1	4	(2)	-	3
Great Finborough	24	10	(7)	-	27
Evington	17	9	(26)	-	-
Tunbridge Wells	3	2	-	-	5
Wantage	3	7	(7)	-	3
Shottermill	18	3	(1)	-	20
Bedford	-	1	-	-	1
<i>Total funds restricted by Pilgrim Homes articles</i>	66	36	(43)	-	59
Other restricted funds					
Ernest Luff Care	-	1	-	-	1
Bethany Christian Home	2	1	-	-	3
Emmaus House	5	-	(3)	-	2
Florence House	-	2	-	-	2
Total Homes Voluntary Support Funds	<u>73</u>	<u>40</u>	<u>(46)</u>	<u>-</u>	<u>67</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2021

15. a) RESTRICTED FUNDS – PILGRIM HOMES (continued)

2020	Brought forward at 1 April 2019 £000	Income £000	Expenditure £000	Revaluations and transfers £000	Transfer to Pilgrim Homes Trust £000	Carried forward at 31 March 2020 £000
Funds restricted by Pilgrim Homes articles:						
<i>General unrestricted funds</i>						
Pilgrim Homes Fund	<u>6,794</u>	<u>9,130</u>	<u>(9,391)</u>	<u>275</u>	<u>(6,770)</u>	<u>38</u>
<i>Designated Funds</i>						
Operational Risk Reserve	<u>1,030</u>	-	-	-	<u>(1,030)</u>	-
Futures Fund	<u>444</u>	<u>8</u>	<u>(86)</u>	<u>20</u>	<u>(386)</u>	-
<i>Total designated funds restricted by Pilgrim Homes articles</i>	<u>1,474</u>	<u>8</u>	<u>(86)</u>	<u>20</u>	<u>(1,416)</u>	-
<i>Pilgrim Homes Restricted Funds</i>						
St Albans Home	<u>438</u>	<u>3</u>	-	-	<u>(441)</u>	-
Lucy McNeil Home	<u>1,841</u>	<u>8</u>	-	-	<u>(1,849)</u>	-
Homes Voluntary Support Funds (see note 15c)	<u>61</u>	<u>49</u>	<u>(44)</u>	-	-	<u>66</u>
<i>Total restricted funds restricted by Pilgrim Homes articles</i>	<u>2,340</u>	<u>60</u>	<u>(44)</u>	-	<u>(2,290)</u>	<u>66</u>
Total restricted funds – Pilgrim Homes	<u>10,608</u>	<u>9,198</u>	<u>(9,521)</u>	<u>295</u>	<u>(10,476)</u>	<u>104</u>

15. b) RESTRICTED FUNDS – GENERAL

NYCC Grant	<u>1</u>	-	-	-	-	<u>1</u>
Faith in Later Life	<u>5</u>	<u>113</u>	<u>(77)</u>	-	-	<u>41</u>
Homes Voluntary Support Funds (see note 15c)	<u>10</u>	<u>1</u>	<u>(4)</u>	-	-	<u>7</u>
Local Homes Project Funds	<u>12</u>	<u>3</u>	-	-	-	<u>15</u>
Dementia Fund	<u>3</u>	<u>1</u>	-	-	-	<u>4</u>
Total restricted funds - general	<u>31</u>	<u>118</u>	<u>(81)</u>	-	-	<u>68</u>

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2021

15. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2020	Brought forward at 1 April 2019 £000	Income £000	Expenditure £000	Revaluations and transfers £000	Carried forward at 31 March 2020 £000
Funds restricted by Pilgrim Homes articles					
Brighton	-	3	(3)	-	-
Chippenham	-	1	-	-	1
Great Finborough	23	6	(5)	-	24
Evington	11	14	(8)	-	17
Tunbridge Wells	8	4	(9)	-	3
Wantage	5	13	(15)	-	3
Shottermill	14	7	(3)	-	18
Bedford	—	<u>1</u>	(<u>1</u>)	<u>-</u>	<u>-</u>
<i>Total funds restricted by Pilgrim Homes articles</i>	61	49	(44)	-	66
Other restricted funds					
Bethany Christian Home	2	-	-	-	2
Emmaus House	<u>8</u>	<u>1</u>	(<u>4</u>)	<u>-</u>	<u>5</u>
Total Homes Voluntary Support Funds	<u>71</u>	<u>50</u>	(<u>48</u>)	<u>-</u>	<u>73</u>

All Homes Voluntary Support Funds are restricted funds. Income received represents donations received for work at individual care homes and all expenditure is for the benefit of the ongoing work of the specific home. Where a home is lossmaking, at the end of the year the balance on the support fund is transferred to the general fund of the charity to assist in defraying the losses.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

16. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS

Designated Funds

Operational Risk Reserve

This fund consists of funds required to ensure the continuity of care in the event of a major disruption to the operation of the charity.

Futures Funds

The trustees have agreed to designate all legacies received over £100,000 to these funds, which would then be available to meet the costs of redeveloping the properties owned by the group. The balance was transferred out during the year to meet the costs of the Middlefields development.

Restricted Funds

Pilgrim Homes Fund

This heading includes both the reserves of Pilgrim Homes and the Pilgrim Homes Restricted Fund within Pilgrims' Friend Society, which were transferred to Pilgrim Homes Trust on 31 March 2020.

St Albans and Lucy McNeil Home Funds

These funds relate to the receipt of donations and the proceeds of various fundraising activities for the purpose of establishing new homes.

Watford Tabernacle Almshouse Funds (one restricted and one designated)

During 2004, Pilgrim Homes became responsible for the management of the various funds which constitute the Watford Tabernacle Almshouse Trust. The site was then sold, and suitable accommodation was found for the two remaining residents. The funds from both the restricted and designated funds were utilised in the year for the purchase of the Redbourn flats and a transfer to the General Fund was made.

NYCC grant (Emmaus)

This relates to £2,250 received from NYCC in the year ended 31 December 2007 for the purchase of the Conservatory Heating and a Hospital Bed and Mattress. The grant is being released at the same rate as the depreciation of the assets to which it relates, i.e. 15% reducing balance basis. Therefore, the deduction is the brought forward amount multiplied by 15%.

Faith in Later Life

This represents donations from the Outlook Trust, this charity and a number of partner charities for use towards the costs of the 'Faith in Later Life' initiative mentioned in the Trustees' report. This initiative is in the course of being incorporated as a separate charity and following incorporation the balance of funds held will be transferred to this new charity.

Local Homes Project Funds

These represent the amounts raised and spent by local homes towards specific locally agreed initiatives within specific homes.

Dementia Fund

This fund is utilised to assist in meeting the costs of new initiatives to better look after our residents with dementia.

Homes Voluntary Support Funds

Homes Voluntary support funds represent donations made by supporters for the purpose of improving care at specific homes. These funds are also available, in the event of a home making a trading loss in a financial year, to reduce the loss sustained.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued) For the year ended 31 March 2021

16. FURTHER DETAILS ON RESTRICTED AND DESIGNATED FUNDS (continued)

Covid grants

This relates to grants received by local authorities to deal with increased costs of dealing with the pandemic (e.g. staff and personal protective equipment).

Carey Gardens

This represents a donation to fund substantial capital improvements at Carey Gardens, as a supplement to the sinking fund contributions paid by residents.

17. LEASING COMMITMENTS

Operating leases

The charitable company's total future minimum lease payments under operating leases at 31 March 2021 were payable as set out below:

	2021 £000	2020 £000
Within one year	79	104
Within two to five years	-	79
	<u>79</u>	<u>183</u>

The operating lease charges for the year were:

	2021 £000	2020 £000
Land and buildings	85	74
Hire of plant and machinery	<u>101</u>	<u>97</u>
	<u>186</u>	<u>171</u>

The lease over 175 Tower Bridge Road, London expired on 31 December 2014. Since that date the charity has continued to pay rent at the existing annual rate of £67,000. The charity is required to give 3 months' notice under Section 27 of the Landlord & Tenant Act 1954 to vacate the premises.

18. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the pension funds. There were contributions of £20,000 due to the fund at the period end (2020: £20,000).

The Society also makes a small number of *ex gratia* pension payments to former employees. The annual commitment to make these payments has been reducing over the past few years and currently stands at around £6,000 per annum. A few years ago, the trustees considered whether to accrue for this liability but, given the amounts payable, the age of those receiving a pension and the complexity of determining an appropriate reserve, no provision was made.

PILGRIMS' FRIEND SOCIETY

Notes to the financial statements (continued)

For the year ended 31 March 2021

19. RELATED PARTY TRANSACTIONS

The Pilgrims Friend Group is the ultimate controlling charity of the group. The charity is a subsidiary of The Pilgrims Friend Group by virtue of that charity being the sole member of Pilgrims' Friend Society with the right to appoint directors. Transactions with The Pilgrims Friend Group and its other group undertakings are not disclosed as consolidated financial statements for the group are publicly available.

Details of trustees' and key management personnel and remuneration are disclosed in note 7 to the financial statements.

20. COMPANY LIMITED BY GUARANTEE

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.