THE LEADERS OF WORSHIP AND PREACHERS HOMES

England & Wales · Charity number 1112378

Details

Other names	LWP HOMES
Status	Registered
Legal form	Charitable company
Company number	05467350
Registered	2005-12-02
Register	View on the Charity Commission register

Contact

Address	1 Winton Avenue Westcliff-On-Sea SS0 7QU
Phone	01702342059
Email	homesadmin@lwphomes.org.uk
Website	www.lwphomes.org.uk

Activities

Objects: 3.1 THE OBJECTS OF THE CHARITY ARE, FOR THE PUBLIC BENEFIT, TO CARRY ON THE PROVISION OF HOUSING AND ANY ASSOCIATED AMENITIES SUCH AS TREATMENT, CARE, ADVICE AND ADVOCACY, FOR THOSE WHO REQUIRE SUCH PROVISION ON ACCOUNT OF SICKNESS, INFIRMITY, OR OTHER CHARITABLE NEED, ON TERMS APPROPRIATE TO THEIR MEANS. PRIORITY SHALL BE GIVEN TO THOSE WHO: 3.1.1 ARE INVOLVED IN LEADING WORSHIP AND/OR PREACHING; 3.1.2 ARE IN TRAINING FOR, OR RETIRED FROM, THE ACTIVITIES OF LEADING WORSHIP AND/OR PREACHING; OR 3.1.3 ARE THE WIDOWS, WIDOWERS, PARENTS, PARENTS IN LAW, CHILDREN AND OTHER DEPENDANTS OF PERSONS DESCRIBED IN ARTICLE 3.1.1 OR 3.1.2 ABOVE; PROVIDED THAT THEY ARE OR HAVE BEEN PART OF A CHURCH ORGANISATION HAVING PRINCIPLES OF CHRISTIAN WORSHIP, COMMUNION AND FELLOWSHIP AGREED BY THE TRUSTEES AS BEING SIMILAR TO THOSE HELD BY THE METHODIST CHURCH AND WESLEYAN REFORM UNION AND THE LOCAL ECUMENICAL PARTNERSHIPS THAT INCLUDE METHODISTS.

Activities: Provision of housing and associated amenities to those involved in worship/preaching and their dependents/relatives.

Downloaded from opencharities.uk/ew/1112378

Classification

- **How:** Provides Services
- **What:** Accommodation/housing, Religious Activities
- **Who:** Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£3,357,160	£3,127,056	£4,113,924	91
2024-08-31	£3,072,977	£2,962,861	£3,656,257	86
2023-08-31	£3,289,714	£2,858,213	£3,499,133	84
2022-08-31	£2,871,572	£2,535,049	£3,263,582	76
2021-08-31	£2,629,042	£2,361,241	£2,464,526	81

Trustees

Name	Role	Appointed
Rev Colin Braithwaite	Chair	2018-03-08
David John Charles Greet		2022-10-22
Graham Evans		2023-03-17
Jean Chapman		2021-03-02
Jenny Benfield		2017-02-18
Julie Ann Close-Mitchell		2023-06-06
MARIE ARMITAGE		2021-02-24

Downloaded from opencharities.uk/ew/1112378

THE LEADERS OF WORSHIP AND PREACHERS HOMES

England & Wales - Charity number 1112378

Accounts

Charity Registration No. 1112378

Company Registration No. 05467350 (England and Wales)

THE LEADERS OF WORSHIP AND PREACHERS HOMES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

THE LEADERS OF WORSHIP AND PREACHERS HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Benfield C Braithwaite M Armitage J Chapman D J C Greet G Evans
Secretary	S Lee
Charity number	1112378
Company number	05467350
Registered office	1 Winton Avenue Westcliff on Sea Essex SS0 7QU
Auditor	Gowers Limited Kennel Club House Gatehouse Way Aylesbury HP19 8DB
Website	https://www.lwphomes.org.uk/
Solicitors	Moore Barlow The Oriel Sydenham Road Guildford GU1 3SR

THE LEADERS OF WORSHIP AND PREACHERS HOMES

CONTENTS

	Page
Trustees' report	1 – 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 27

THE LEADERS OF WORSHIP AND PREACHERS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2025

The trustees present their report and financial statements for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Charitable objects
The objects of LWPHomes, supported by voluntary contributions, are to carry on, for the public benefit, the provision of housing and any associated amenities such as treatment, care, advice and advocacy, for those who require such provision on account of sickness, infirmity, or other charitable need, on terms appropriate to their means - Priority shall be given to those who:

(a) are involved in leading worship and/or preaching;
(b) are in training for, or retired from, the activities of leading worship and/or preaching;
(c) are the widows, widowers, parents, parents in law, children and other dependents of persons described in (a) and (b), provided that they are or have been part of a church organisation having objectives agreed by the trustees as being similar to those held by the Methodist Church and the Wesleyan Reform Union and the Local Ecumenical Partnerships that include Methodists.

The charity operates three homes at Westcliff-on-Sea in Essex, Minehead in Somerset and Woodhall Spa in Lincolnshire. The three homes are registered to provide residential care for a maximum of 84 residents. In addition, the charity operates ten self-contained flats and communal facilities providing supported living accommodation at Milborne Port, Somerset and two self-contained flats at Minehead.

Although restricted Methodist Local Preachers Mutual Aid Association (LPMA) funds currently held and managed by the Leaders of Worship and Preachers Trust can, and have historically, been applied to all aspects of LWPHomes business, no grants were applied for during the year in question. Following a request from the trustees of LWPHomes to LPMA to give consideration to making a grant towards the acquisition of a fourth home the trustees of LPMA have pledged £45,000 that can be paid as and when a firm commitment to a new home has been made. It is hoped that further grants may be received in future.

Aims of the charity
Providing those who want it with the opportunity to live their retirement in an actively Christian based community.

Objectives for the year
The charity's main objectives for the year continued to be:

1. To take all necessary steps to safeguard the residents, staff and visitors at our sites from all potential risks.
2. To continue the work to reinforce relationships with the Methodist and Wesleyan Reform Union Church organisations and their individual churches to ensure that the charity's work can be carried out with a positive Christian care dimension.
3. Financial: without prejudice to service standards, to maximise the scope for a modest surplus from each of the 3 established homes and from the flats on the Minehead and Gainsborough sites. To ensure that there is sufficient surplus from routine operations to provide for the potential development of the business model and capital / planned maintenance work.
4. To consider options for development of care services provided. with the focus on acquiring an additional home and considering options for additional independent living accommodation consistent with the objects.
5. Care standards: ongoing review all aspects of compliance with the care standards to benefit the residents and to meet the exacting requirements of Care Quality Commission.

Strategies for achieving objectives
The charity operates an LWPHomes specific website (www.lwphomes.org.uk) which places great emphasis on care matters and allows it to present itself in a more visible manner for potential clients who seek active Christian care. In recent years the website has been developed to support governance and trustee recruitment and to provide an online portal of information about the (closed to new membership) MLPMAA pension scheme. The charity is a member of the NCVO to provide for trustee training and a wide range of other potential benefits. The charity also maintains enhanced listings on the www.carehomes.co.uk and www.carechoices.co.uk websites.

Statement on compliance with Charity Commission guidance on public benefit
When deciding on activities and events, LWPHomes' trustees pay due regard to the Charity Commission's guidance on public benefit as set out in section 17 of the Charities Act 2011 and the published advice of the Charity Commission.

Business of the Charity
The charity's aim is to provide those who want it with:

- The opportunity to live their retirement in an actively Christian based community by the provision of accommodation and subsistence.
- Physical and emotional security.
- A family environment which encourages the presence of relatives and maintains relationships with friends and the wider community. Both residents and families have been very supportive of the actions taken in this respect.
- Christian community.
- A Christian lifestyle (e.g. Daily Devotions)
- Recreation- both physical and mental stimulation
- Healthcare- preventative, restorative and palliative.

The core standards for all aspects of the delivery of care are prescribed by legislation and regulated by the Care Quality Commission.

Significant activities
All of the homes maintain close contact and partnership with local churches and hold annual 'anniversary open days' and other events that encourage visitors into the homes and also allow the residents to share in an additional area of social activity. Links with the Wesleyan Reform Union remain strong which helps LWPHomes to communicate with its members. Efforts have continued to ensure that LWPHomes continues to be seen as very much a part of the Methodist family but progress remains slow despite annual attendance at Methodist Conference and the development of other links.

Use of volunteers
Each home arranges social events within the home, outings and fund raising events. The pastoral support given to homes includes trustees taking on a close role to support the homes' residents and staff with periodic visits.

Strategic report

Achievements and performance

Charitable achievements
LWPHomes monitors its performance by the health and happiness of its residents It is not unusual for residents to achieve their 100th birthday. Trustees of LWPHomes plan to make a minimum of one pastoral visit per annum to each home, and reports are made to the trustees for consideration at Board meetings. In the unlikely event of any concerns being raised, they are fully investigated by the Operations Manager, the CEO and the Chairman of the Board of Trustees.

Fundraising achievements
Any fundraising activities that take place locally, such as the annual anniversary days, provide funds for additional social benefits for residents. They do not support mainstream expenditure.

Investment performance
The trustees have, as permitted under the Articles of Association, appointed professional investment managers to exercise their powers of investment. The trustees have the power to invest any sums not immediately needed. The investment policy is reviewed annually when Coutts, the investment manager, reports on investment performance to the trustees.

LWPHomes pursues a policy of ethical investment. The fund managers are instructed to invest in investments that will maximise income returns within the ethical policy.

Major movements in financial markets notwithstanding, the investment returns during the year have been satisfactory in the light of financial trends.

Financial review
During the year under review LWPHomes had an operating surplus of £230,105. Within this total £189,754 related to depreciation of fixed assets. There were then gains on investment assets of £59,084 increasing the overall surplus to £289,189. Included within this total is a legacy of £119,575 gratefully received by the Trustees. The actuarial valuation of the closed defined benefit pension scheme showed a reduction in the deficit during the year of £363,000, due to changes in assumptions concerning discount and mortality rates which is taken into account within the agreed contributions made by the employers. The charity continues to pay the agreed contributions to the scheme to reduce the deficit over time.

Prior to 31 March 2025, LWPHomes was responsible for 90% of the overall employer contributions, as 'principal employer' with Leaders of Worship and Preachers Trust (LWPT) responsible for the remaining 10% as a 'participating employer'. LWPT withdrew as a participating employer as at 31 March 2024, and made an appropriate actuarially calculated one-off contribution of £234,000 during the year, in respect of its proportion of the contributions. LWPT, therefore, has no ongoing commitment to the pension scheme.

Financial review (continued)

Reserves Policy
During the period the trustees considered what the reserve requirements were, in line with the Charity Commission guidelines. This covered setting a policy reflecting the wish to safely commit as much as possible to provide suitable support to beneficiaries.

It is the policy of the trustees to maintain unrestricted funds at a level to enable the charity to operate effectively. The trustees consider that the unrestricted reserves should ideally be maintained at a level equivalent to at least 3 months' running costs to enable an orderly wind down in the event of the charity's closure. This amount would currently be £743,000 (2024: £706,000).

Our total reserves are	£4,113,924
Of which:	
Amount restricted to donor nominated purposes	£23,145
Amount capitalised in tangible fixed assets	£4,045,067
Amount required to fund pension deficit	(£974,000)
Amount allocated to capital reserve	£210,000
Amount available to meet current operations	£809,712

The current level of reserves is £66,000 above (2024: £157,000 below) the level that the trustees have set as an optimum level for LWPHomes to hold.

Principal sources of income and how expenditure meets objectives
The principal source of income is resident fees, mainly from 'self-financing' residents, although some residents are funded, in some cases partly, by local authorities. The local authorities visit the homes annually to ensure that the homes are meeting their terms and conditions in regard to care provision and to ensure practices are monitored and reviewed in line with changes in the care sector.

Risk Management Review
The charity adopts a risk management review strategy that is an integral part of its Business Plan and contributes directly to the risk management assessment made by the Pension Trustees. Trustees have reviewed the major risks to which the charity is exposed, which include damage to reputation, criminal acts, data loss, health and safety, and change to funding sources, and have established systems to mitigate those risks. Day to day operational risks are minimised by the implementation of procedures for the authorisation of all transactions and project management to ensure consistent quality of delivery for all aspects of the charity. These procedures are reviewed periodically to ensure that they meet the needs of the charity.

There have been no examples of fraud identified by the trustees during the period.

Plans for future periods
Capital spend over the last few years have maintained the three homes at a high standard of repair and development with a clear planned preventative maintenance strategy. This allows for future plans to focus on broadening the charity's care portfolio. Consistent with its development plans, the charity intends to seek opportunities to purchase additional homes in areas consistent with the current portfolio.

The trustees continue to look at fundraising opportunities that will also publicise the homes, the excellent care that they offer and additional services the charity provides.

Structure, governance and management

The Company was incorporated as a company limited by guarantee on 31 May 2005 and as such has no share capital. It is governed by Articles of Association that were reviewed and updated in 2010 and subject to further review and amendment in 2014, 2018 and 2021.

The Company was registered as a charity on 2 December 2005 by the Charity Commission for England and Wales.

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. A list of the trustees is given on the Legal and Administration page to the financial statements. All of the trustees named on that page served during the year.

Trustees may serve a maximum of five terms of three years. A trustee who has completed five consecutive terms of office will not be eligible for reappointment until one year has elapsed since the end of his or her last term of office.

The Board of Trustees can consist of at least three and not more than twelve persons elected by the Members by ordinary resolution at an AGM. A person may not act as a trustee unless he or she:

- supports the Objects, is a Christian and has a dedication to promote Christian fellowship;
- agrees to also become a Member;
- is over the age of 18; and
- has signed a written declaration of willingness to act as a Member and as a trustee of the charity.

In October 2017 the historically close relationship between the charity and The Leaders of Worship and Preachers Trust came to an end. A key consequence is that the Board no longer has access to the mailing lists associated with the Ichthus magazine which up to that point was the core medium for communication with friends and for the recruitment of new trustees. New lines of communication through the Methodist and Wesleyan Reform Union church organisations have been progressed to ensure that the charity is able to communicate effectively with its traditional supporters. Another consequence is that the charity is no longer able to enjoy the traditional mutual benefit of legacies and other donations made to LWPT.

New trustees are provided with copies of the Charity Commission leaflets CC3 & CC3a and are provided with training as required.

Policy decisions concerning the charity are made by the trustees as a whole. Specialist areas such as Finance and Investments are delegated to the CEO and an external financial adviser appointed by the Board. Day to day administrative functions, such as resident contracts, local authority contracts, bookkeeping and payroll, are delegated to the Operations Manager and CEO.

The charity enjoys excellent relationships with its main stakeholders within the Methodist and Wesleyan Reform Churches and meets their officers regularly to discuss matters of common interest.

Employee involvement and employment of the disabled

The trustees wish to record thanks to all the staff who have contributed to the success of the charity during the period under review.

The trustees are not aware of any staff members who are registered as disabled but have the necessary facilities to enable disabled people with the appropriate skills to work for the charity. Due recognition of the Disabilities Discrimination Act is exercised where staff members need assistance and support when returning from sick leave or are undergoing treatment whilst working.

Trustees
The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Benfield
C Braithwaite
M Armitage
J Chapman
D J C Greet
G Evans

Statement of trustees' responsibilities
The trustees, who are also the directors of The Leaders of Worship and Preachers Homes for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor
A resolution will be proposed at the forthcoming Annual General Meeting that Gowers Limited, Chartered Accountants, who were reappointed during the financial year, be reappointed as auditors for the ensuing year.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

C Braithwaite
Trustee
Dated: 17th March 2026



THE LEADERS OF WORSHIP AND PREACHERS HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE LEADERS OF WORSHIP AND PREACHERS HOMES

Opinion

We have audited the financial statements of The Leaders of Worship and Preachers Homes (the 'charity') for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 August 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

The charity is subject to laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011, employment legislation; health and safety legislation, the regulatory requirements of the Care Quality Commission.

Audit response to risks identified
Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David M Green (Senior Statutory Auditor)
for and on behalf of Gowers Limited

.....

Chartered Accountants
Statutory Auditor

Kennel Club House
Gatehouse Way
Aylesbury
HP19 8DB

17th March 2026

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income from:						
Donations and gifts	3	122,040	-	7,991	130,031	75,796
Charitable activities	4	3,217,224	-	-	3,217,224	2,985,623
Investments	5	9,179	-	726	9,905	11,558
Total income		3,348,443	-	8,717	3,357,160	3,072,977
Expenditure on:						
Raising funds	6	18,817	-	-	18,817	14,362
Charitable activities	7	3,093,263	-	14,976	3,108,239	2,948,499
Total resources expended		3,112,080	-	14,976	3,127,056	2,962,861
Net gains/(losses) on investments	11	59,084	-	-	59,084	82,394
Net movements before transfers		295,447	-	(6,258)	289,189	192,510
Gross transfers		(198,498)	194,522	3,976	-	-
Net incoming/(outgoing)		96,949	194,522	(2,282)	289,189	192,510
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit		-	168,478	-	168,478	(35,386)
Net movement in funds		96,949	363,000	(2,282)	457,667	157,124
Fund balances at 1 September 2024		4,757,830	(1,127,000)	25,427	3,656,257	3,499,133
Fund balances at 31 August 2025		4,854,779	(764,000)	23,145	4,113,924	3,656,257

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE LEADERS OF WORSHIP AND PREACHERS HOMES

BALANCE SHEET

AS AT 31 AUGUST 2025

7	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**12**		4,045,067		4,208,836
Investments	**13**		745,638		686,554
			4,790,705		4,895,390
Current assets					
Stocks	**14**	5,820		6,735	
Debtors	**15**	31,495		9,767	
Cash at bank and in hand		781,059		589,884	
		818,374		606,386	
Creditors: amounts falling due within one year	**17**	(201,653)		(155,317)	
Net current assets			616,721		451,069
Total assets less current liabilities			5,407,426		5,346,459
Creditors: amounts falling due after more than one year	**18**		(319,502)		(353,202)
Provisions for liabilities			(974,000)		(1,337,000)
Net assets			4,113,924		3,656,257
Income funds					
Restricted funds	**20**		23,145		25,427
Unrestricted funds					
Designated funds	**22**	(764,000)		(1,127,000)	
General unrestricted funds		4,199,899		4,102,950	
Revaluation reserve		654,880		654,880	
			4,090,779		3,630,830
			4,113,924		3,656,257

The financial statements were approved by the Trustees on 17th March 2026.

C Braithwaite
Trustee

J Benfield
Trustee

Company Registration No. 05467350

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	24		238,434		75,901
Investing activities					
Purchase of tangible fixed assets		(25,985)		(324,117)	
Capital invested		-		-	
Investment income received		9,905		11,558	
Net cash (used in)/generated from investing activities			(16,080)		(312,559)
Financing activities					
Proceeds of new bank loans		-		-	
Repayment of bank loans		(31,179)		(27,958)	
Net cash generated from/(used in) financing activities			(31,179)		(27,958)
Net increase/(decrease) in cash and cash			191,175		(264,616)
Cash and cash equivalents at beginning of year			589,884		854,500
Cash and cash equivalents at end of year			781,059		589,884

1 Accounting policies

Charity information

The Leaders of Worship and Preachers Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Winton Avenue, Westcliff on Sea, Essex, SS0 7QU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). 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 £, except in note 19, where figures are given in multiples of £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

The charitable company does have a pension fund deficit of £974,000 at the year end. This is covered by the charitable company's fixed assets (net book value £4,045,067 at 31 August 2025). In addition, the charitable company has an agreed plan to pay off the deficit out of its annual income over a period approved by the pension scheme's trustees and actuary.

Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

The pension fund relates to a defined benefit pension scheme which ceased on 31 March 2003. This is fully disclosed due to its significance.

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

1.4 Income

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

1 Accounting policies

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

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

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

1.6 Tangible fixed assets

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

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

Freehold land	Nil
Freehold buildings	over 10, 20 or 25 years as appropriate
Fixtures and Fittings	over 5 years

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

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies

1.12 Retirement benefits

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

Until 31 March 2003 Methodist Local Preachers Mutual Aid Association (MLPMAA) operated a pension scheme providing benefits based on final pensionable pay as principal employer, with LWPHomes (formerly Mutual Aid Homes) as a participating employer. The entire scheme was made paid up on 31 March 2003. The employers are committed to paying monthly contributions to fund the deficit. From 1 April 2024 to 31 March 2025 the commitment was £189,896 per annum and from 1 April 2025 this increased to £200,948 per annum, increasing by 5.8% pa on 1 April every year until 1 June 2032. LWPHomes is committed to fund this payment (previously 90% of the total).

The current service cost of providing defined pension benefits in schemes operated by the charitable company is charged to salaries in the Statement of Financial Activities over the anticipated period of employment in accordance with recommendations made by independent qualified actuaries. The interest cost and the expected return on assets are shown as a net amount and reflected in the Statement of Financial Activities in a similar fashion. Actuarial gains and losses are recognised immediately within 'net actuarial gains and losses' on the face of the Statement of Financial Activities. A provision for the current defined benefit scheme pension fund deficit is made on the face of the balance sheet and the corresponding figure is shown as a separate component of the charitable company's restricted funds.

The amounts charged to the Statement of Financial Activities for defined contribution schemes represent the contributions payable to the schemes in respect of the period.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds general 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	2,465	7,991	10,456	14,423	3,194	17,617
Legacy	119,575	-	119,575	58,179	-	58,179
	122,040	7,991	130,031	72,602	3,194	75,796

4 Charitable activities

	Provision of care homes 2025 £	Provision of care homes 2024 £
Resident Fees - Local Authority funding	662,761	520,862
Resident Fees - Private funding	2,468,498	2,424,445
Respite Care	85,724	39,248
Ancillary trading income	241	1,068
	3,217,224	2,985,623

5 Investments

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Investment income	9,905	11,558

6 Raising funds

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Fundraising and publicity		
Publicity	300	300
Press advertising	6,069	5,476
Website costs	484	428
Fundraising and publicity	6,853	6,204
Investment management	11,964	8,157
	18,817	14,361

7 Charitable activities

	Charitable Expenditure 2025 £	Charitable Expenditure 2024 £
Staff costs	2,127,032	2,025,066
Depreciation and impairment	189,754	178,846
Operational costs	200,448	195,880
Staff welfare	15,065	11,430
Recruitment costs	-	3,946
Staff training	6,021	5,780
Premises costs	174,298	125,497
Insurance	53,519	47,576
Repairs	54,087	52,849
Telephone	14,084	13,313
Board and committee expenses	2,829	5,294
Communication and computer costs	21,631	43,444
Maintenance contracts	56,278	58,228
Other charitable expenditure	55,923	57,065
	2,970,969	2,824,214
Share of governance costs (see note 8)	137,270	124,285
	3,108,239	2,948,499

7 Charitable activities

	2025	2024
	£	£
Analysis by fund		
Unrestricted funds - general	3,093,263	2,937,642
Unrestricted funds - designated	-	-
Restricted funds	14,976	10,857
	3,108,239	2,948,499

8 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Audit and accountancy fees	-	12,125	12,125	-	10,124	10,124
Legal and professional fees	-	125,145	125,145	-	114,161	114,161
	-	137,270	137,270	-	124,285	124,285
Analysed as						
Charitable activities	-	137,270	137,270	-	124,285	124,185

Governance costs include payments to the auditors of £10,955 VAT included (2024 – £10,124 VAT included) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Out of pocket expenses totalling £2,888 (2024 – £4,987) were reimbursed to 3 trustees (2024 – 4 trustees) in relation to travel costs.

10 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Direct charitable work	91	86

Employment costs	2025 £	2024 £
Wages and salaries	1,901,322	1,840,944
Social security costs	173,263	135,914
Other pension costs	42,779	39,620
	2,117,364	2,016,478

There was 1 employee (2024: 1 employee) whose annual remuneration was £60,000 or more, falling in the range £80,000 - £85,000 (2024: £75,000 - £80,000).

11 Net gains/(losses) on investments

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Revaluation of investments	59,084	82,394

12 Tangible fixed assets

	Freehold Land and Buildings £	Fixtures and Fittings £	Total £
Cost or valuation			
At 1 September 2024	5,114,393	777,485	5,891,878
Additions	-	25,985	25,985
At 31 August 2025	5,114,393	803,470	5,917,863
Depreciation and impairment			
At 1 September 2024	1,016,851	666,191	1,683,042
Depreciation charged in the year	154,076	35,678	189,754
At 31 August 2025	1,170,927	701,869	1,872,796
Carrying amount			
At 31 August 2025	3,943,466	101,601	4,045,067
At 31 August 2024	4,097,542	111,294	4,208,836

Land and buildings with a carrying amount of £4,201,507 were revalued at 31 August 2016 by Roger Millthrop Consulting Limited, Chartered Surveyors not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The management believe the carrying value of today's date to be a fair reflection of the value as revalued by Roger Millthrop considering the additions and improvements made since that date.

12 Tangible fixed assets

At 31 August 2024, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,546,628 (2024 - £3,546,628).

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2024	686,554
Additions	-
Valuation changes	62,985
Fees	(3,901)
At 31 August 2025	745,638
Carrying amount	
At 31 August 2025	686,554
At 31 August 2024	686,554

14 Stocks

	2025 £	2024 £
Consumables	5,820	6,735

15 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	30,301	9,478
Prepayments and accrued income	1,194	289
	31,495	9,767

16 Loans and overdrafts

	2025	2024
	£	£
Bank loans	352,587	383,766
Payable within one year	33,085	30,564
Payable after one year	319,502	353,202
Amounts included above which fall due after five years:		
Payable by instalments	158,286	200,050

17 Creditors: amounts falling due within one year

	Notes	2025	2024
		£	£
Bank loans	16	33,085	30,564
Other taxation and social security		42,081	34,513
Trade creditors		94,836	68,129
Accruals and deferred income		31,651	22,111
		201,653	155,317

18 Creditors: amounts falling due after more than one year

	Notes	2025	2024
		£	£
Bank loans	16	319,502	353,202

The remaining long-term loan is secured by a fixed legal charge over Westerley Christian Care Home, The Broadway, Woodhall Spa, Lincolnshire.

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £39,620 (2023 – £36,845).

Defined benefit schemes (see below)

19 Retirement benefit schemes (continued)

Key assumptions

	2025	2024
	%	%
Discount rate	5.80%	4.89%
Expected rate of increase of pensions in payment	3.04%	3.16%
RPI inflation rate	2,94%	3.04%
Pension increase in deferment	5.00%	5.00%

Mortality assumptions

The assumed life expectations on retirement at age 60 are:

	2025	2024
	Years	Years
Retiring in 20 years		
- Males	87.2	87.0
- Females	89.8	89.8
Current pensioners		
- Males	86.0	85.8
- Females	88.7	88.6

Amounts recognised in the profit and loss account:

	2025	2024
	£	£
Loss/(gain) on settlements	-	(71,000)
Net interest on defined benefit liability/(asset)	61,000	73,000

Remeasurements recognised in other comprehensive income:

	2025	2024
	£	£
Return on scheme assets excluding interest income	(287,000)	63,000
Effect of changes in assumptions gain/(loss)	401,000	(93,000)
Effect of experience adjustments gain/(loss)	115,000	(3,000)
Total remeasurement gain/(loss)	229,000	(33,000)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2025	2024
	£	£
Present value of defined benefit obligations	4,040,000	4,496,000
Fair value of plan assets	(3,066,000)	(3,159,000)
Deficit in scheme	974,000	1,337,000

19 Retirement benefit schemes

Movements in the present value of defined benefit obligations:

	2025
	£
Liabilities at 1 September 2024	4,496,000
Benefits paid	(156,000)
Effect of changes in assumptions (gain)/loss	(401,000)
Effect of experience adjustments (gain)/loss	(115,000)
Interest cost	216,000
Past service cost	-
At 31 August 2025	4,040,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2025
	£
Fair value of assets at 1 September 2024	3,159,000
Interest income	155,000
Return on plan assets (excluding amounts included in net interest)	(287,000)
Benefits paid	(156,000)
Contributions by the employer	195,000
At 31 August 2025	3,066,000

Reconciliation of funded position:

	2025	2024
	£	£
Net defined benefit liability at start of period	(1,337,000)	(1,475,000)
Expense recognised in profit and loss	(61,000)	(2,000)
Gain/(loss) recognised in other comprehensive income	229,000	(33,000)
Contributions made by the charity	195,000	173,000
Net defined benefit liability at the end of the period;	(974,000)	(1,337,000)

The fair value of plan assets at the reporting period end was as follows:

	2025	2024
	£	£
Equity instruments	426,000	372,000
Equitylike target return funds	937,000	-
Absolute return bond funds	470,000	-
Corporate bonds	-	285,000
Liability Driven Investments	769,000	1,630,000
Cash	66,000	425,000
Insured pensioners	398,000	447,000
	3,066,000	3,159,000

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			
	Balance at 1 September 2024	Incoming resources	Resources expended	Transfers	Balance at 31 August 2025
	£	£	£	£	£
Amenities – Minehead	12,787	3,135	(5,968)	650	10,604
Amenities – Westcliff	4,291	2,954	(5,357)	2,556	4,444
Amenities – Woodhall Spa	8,349	2,628	(3,650)	770	8,097
	25,427	8,717	(14,975)	3,976	23,145

The amenities relate to balances available to use for each individual care home.

21 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	2025	2025	2025	2025
	£	£	£	£
Fund balances at 31 August 2025 are				
Tangible assets	4,045,067	-	-	4,045,067
Investments	745,638	-	-	745,638
Current assets/(liabilities)	383,576	210,000	23,145	616,721
Long term liabilities	(319,502)	-	-	(319,502)
Provisions and Pensions	-	(974,000)	-	(974,000)
	4,854,779	(764,000)	23,145	4,113,924

	Unrestricted funds	Designated funds	Restricted funds	Total
	2024	2024	2024	2024
	£	£	£	£
Fund balances at 31 August 2024 are				
Tangible assets	4,208,836	-	-	4208,836
Investments	686,554	-	-	686,554
Current assets/(liabilities)	215,642	210,000	25,427	451,069
Long term liabilities	(353,202)	-	-	(353,202)
Provisions and Pensions	-	(1,337,000)	-	(1,337,000)
	4,757,830	(1,127,000)	25,427	3,656,257

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 September 2024	Incoming resources	Resources expended	Transfers	Balance at 31 August 2025
	£	£	£	£	£
Capital reserve	210,000	-	-	-	210,000
Pension reserve	(1,337,000)	168,478	-	194,522	(974,000)
	(1,127,000)	168,478	-	194,522	(764,000)

The capital reserve fund was created to fund future capital works at the homes.

23 Operating lease commitments

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	8,642	7,190
Between two and five years	25,774	22,220
Over five years	1,295	2,438
	35,711	31,848

24 Cash generated from operations

	2025	2024
Surplus for the year	289,189	192,510
Adjustments for:		
Investment income recognised in statement of financial activities	(9,905)	(11,558)
Fair value gains and losses on investments	(59,084)	(82,394)
Depreciation and impairment of tangible fixed assets	189,754	178,846
Pension recovery cash contributions	(194,522)	(173,386)
Movements in working capital:		
Decrease/(increase) in stocks	915	(280)
(Increase)/decrease in debtors	(21,728)	4,520
Increase/(decrease) in creditors	43,815	(32,357)
Cash generated from operations	238,434	75,901

25 Analysis of changes in net funds/(debt)

	At 1 September 2024	Cash flows	At 31 August 2025
	£	£	£
Cash at bank and in hand	589,884	191,175	781,059
Loans falling due within one year	(30,564)	(2,521)	(33,085)
Loans falling due after more than one year	(353,202)	33,700	(319,502)
	206,118	222,354	428,472

26 Related party transactions

There were no disclosable related party transactions during the year.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2025	2024
	£	£
Aggregate compensation	82,096	77,862

THE LEADERS OF WORSHIP AND PREACHERS HOMES

England & Wales - Charity number 1112378

Accounts

Charity Registration No. 1112378

Company Registration No. 05467350 (England and Wales)

THE LEADERS OF WORSHIP AND PREACHERS HOMES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

THE LEADERS OF WORSHIP AND PREACHERS HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Benfield	
	C Braithwaite	
	M Armitage	
	J Chapman	
	D J C Greet	
	G Evans	
	J A Close-Mitchell	(Resigned 20 October 2023)
Secretary	S Lee	
Charity number	1112378	
Company number	05467350	
Registered office	1 Winton Avenue Westcliff on Sea Essex SS0 7QU	
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Herts WD4 8SZ	
Website	https://www.lwphomes.org.uk/	
Solicitors	Moore Barlow The Oriel Sydenham Road Guildford GU1 3SR	

THE LEADERS OF WORSHIP AND PREACHERS HOMES

CONTENTS

	Page
Trustees' report	1 – 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 27

THE LEADERS OF WORSHIP AND PREACHERS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Charitable objects
The objects of LWPHomes, supported by voluntary contributions, are to carry on, for the public benefit, the provision of housing and any associated amenities such as treatment, care, advice and advocacy, for those who require such provision on account of sickness, infirmity, or other charitable need, on terms appropriate to their means - Priority shall be given to those who:

(a) are involved in leading worship and/or preaching;
(b) are in training for, or retired from, the activities of leading worship and/or preaching;
(c) are the widows, widowers, parents, parents in law, children and other dependents of persons described in (a) and (b), provided that they are or have been part of a church organisation having objectives agreed by the trustees as being similar to those held by the Methodist Church and the Wesleyan Reform Union and the Local Ecumenical Partnerships that include Methodists.

The charity operates three homes at Westcliff-on-Sea in Essex, Minehead in Somerset and Woodhall Spa in Lincolnshire. The three homes are registered to provide residential care for a maximum of 84 residents. In addition, the charity operates ten self-contained flats and communal facilities providing supported living accommodation at Milborne Port, Somerset and two self-contained flats at Minehead.

Although restricted Methodist Local Preachers Mutual Aid Association (LPMA) funds currently held and managed by the Leaders of Worship and Preachers Trust can, and have historically, been applied to all aspects of LWPHomes business no grants were applied for during the year in question. Following a request from the trustees of LWPHomes to LPMA to give consideration to making a grant towards the acquisition of a fourth home the trustees of LPMA have pledged £45,000 that can be paid as and when a firm commitment to new home has been made. It is hoped that further grants may be received in future.

Aims of the charity
Providing those who want it with the opportunity to live their retirement in an actively Christian based community.

Objectives for the year
Following the impact of the global pandemic having become more part of normal life the charity's 5 objectives for the year were:

1. To take all necessary steps to safeguard the residents, staff and (when and where allowed) visitors at our sites from all potential risks.
2. To continue the work to reinforce relationships with the Methodist and Wesleyan Reform Union Church organisations and their individual churches to ensure that the charity's work can be carried out with a positive Christian care dimension.
3. Financial: Without prejudice to service standards, to maximise the scope for modest surplus from the 3 established homes and the flats on the Minehead and Gainsborough sites. To ensure that there is sufficient surplus from routine operations to provide for the potential development of the business model and capital / planned maintenance work.
4. To consider options for development of care services provided. with the focus on acquiring an additional home and considering options for additional independent living accommodation consistent with the objects.
5. Care standards: Ongoing review all aspects of compliance with the care standards to benefit the residents and to meet the exacting requirements of Care Quality Commission.

Strategies for achieving objectives
The charity operates an LWPHomes specific website (www.lwphomes.org.uk) which places great emphasis on care matters and allows it to present itself in a more visible manner for potential clients who seek active Christian care. In the course of the year, the website was developed further to support governance and trustee recruitment and to provide an online portal of information about the (closed to new membership) MLPMAA pension scheme. The charity is a member of the NCVO to provide for trustee training and a wide range of other potential benefits. The charity also maintains enhanced listings on the www.carehomes.co.uk and www.carechoices.co.uk websites.

Statement on compliance with Charity Commission guidance on public benefit
When deciding on activities and events, LWPHomes' trustees pay due regard to the Charity Commission's guidance on public benefit as set out in section 17 of the Charities Act 2011 and the published advice of the Charity Commission.

Business of the Charity
The charity's aim is to provide those who want it with:

- The opportunity to live their retirement in an actively Christian based community by the provision of accommodation and subsistence.
- Physical and emotional security.
- A family environment (encourage the presence of relatives and maintain relationships with friends and the wider community. Both residents and families have been very supportive of the actions taken in this respect).
- Christian community.
- A Christian lifestyle (e.g. Daily Devotions)
- Recreation- both physical and mental stimulation
- Healthcare- preventative, restorative and palliative.

The core standards for all aspects of the delivery of care are prescribed by legislation and regulated by the Care Quality Commission.

Significant activities
All of the homes maintain close contact and partnership with local churches and hold annual 'anniversary open days' and other events that enable visitors into the homes and also allow the residents to share in an additional area of social activity. Links with the Wesleyan Reform Union remain strong which helps LWPHomes to communicate with its members. Efforts have continued to ensure that LWPHomes is still seen as very much a part of the Methodist family but progress remains slow. Consultations with the Methodist Church continue in the hope that the Methodist Calendar will allow for a LWPH Sunday both to promote the charity's purpose and to foster the interest of friends and hopefully financial support through donations. Sadly the requests were rejected.

Use of volunteers
Each home arranges social events within the home, outings, fund raising events. The pastoral support given to homes has been subject to comprehensive review with trustees taking on a closer role to support the homes' residents and staff.

Strategic report

Achievements and performance

Charitable achievements
LWPHomes monitors its performance by the health and happiness of its residents It is not unusual for residents to achieve their 100th birthday. Trustees of LWPHomes plan to make a minimum of one pastoral visit per annum to each home, and reports are made to the trustees for consideration at Board meetings. In the unlikely event of any concerns being raised, they are fully investigated by the Operations Manager, the CEO and the Chairman of the Board of Trustees.

Fundraising achievements
Any fundraising activities that take place locally, such as the annual anniversary days mentioned above under 'significant activities', provide funds for additional social benefits for residents. They do not support mainstream expenditure.

Investment performance
The trustees have, as permitted under the Articles of Association, appointed professional investment managers to exercise their powers of investment. The trustees have the power to invest any sums not immediately needed. The investment policy is reviewed annually when Coutts, the investment manager, reports on investment performance to the trustees.

LWPHomes pursues a policy of ethical investment. The fund managers are instructed to invest in investments that will maximise income returns within the ethical policy.

Major changes in the financial markets notwithstanding, the investment returns during the year have been satisfactory in the light of financial trends.

Financial review
During the year under review LWPHomes had an operating surplus of £110,116. Within this total £178,846 related to depreciation of fixed assets. There were then gains on investment assets of £82,394 increasing the overall surplus to £192,510. Included within this total is a legacy of £58,179 gratefully received by the Trustees. The actuarial valuation of the closed defined benefit pension scheme showed a reduction in the deficit during the year of £138,000, due to changes in assumptions concerning discount and mortality rates which is taken into account within the agreed contributions made by the employers. The charity continues to pay the agreed contributions to the scheme to reduce the deficit over time.

Prior to 31 March 2024, LWPHomes was responsible for 90% of the overall employer contributions, as 'principal employer' with Leaders of Worship and Preachers Trust (LWPT) responsible for the remaining 10% as a 'participating employer'.

LWPT withdrew as a participating employer as at 31 March 2024, and made an appropriate actuarially calculated one-off contribution of £234,000 after the year end, in respect of its proportion of the contributions. LWPT, therefore, has no ongoing commitment to the pension scheme.

Financial review (continued)

Reserves Policy
During the period the trustees considered what the reserve requirements were, in line with the Charity Commission guidelines. This covered setting a policy reflecting the wish to safely commit as much as possible to provide suitable support to beneficiaries.

It is the policy of the trustees to maintain unrestricted funds at a level to enable the charity to operate effectively. The trustees consider that the unrestricted reserves should ideally be maintained at a level equivalent to at least 3 months' running costs to enable an orderly wind down in the event of the charity's closure. This amount would currently be £706,000 (2023: £719,000).

Our total reserves are	£3,656,257
Of which:	
Amount restricted to donor nominated purposes	£25,427
Amount capitalised in tangible fixed assets	£4,208,836
Amount required to fund pension deficit	(£1,337,000)
Amount allocated to capital reserve	£210,000
Amount available to meet current operations	£548,994

The current level of reserves is some £157,000 (2023: £147,000) below the level that the trustees have set as an optimum level for LWPHomes to hold. Efforts are being made to increase the level of reserves from operational surpluses without compromising the level of care provided. In line with best practice, the reserves policy is reviewed annually.

Principal sources of income and how expenditure meets objectives
The principal source of income is resident fees, mainly from 'self-financing' residents, although some residents are funded, in some cases partly, by local authorities. The local authorities visit the homes annually to ensure that the homes are meeting their terms and conditions in regard to care provision and to ensure our practices are monitored and reviewed in line with changes in the care sector.

Risk Management Review
The charity adopts a risk management review strategy that is an integral part of its Business Plan and contributes directly to the risk management assessment made by the Pension Trustees. Trustees have reviewed the major risks to which the charity is exposed, which include damage to reputation, criminal acts, data loss, health and safety, and change to funding sources, and have established systems to mitigate those risks. Day to day operational risks are minimised by the implementation of procedures for the authorisation of all transactions and project management to ensure consistent quality of delivery for all aspects of the charity. These procedures are reviewed periodically to ensure that they meet the needs of the charity.

There have been no examples of fraud identified by the trustees during the period.

Plans for future periods
Capital spend over the last few years have maintained the three homes at a high standard of repair and development with a clear planned preventative maintenance strategy. This allows for future plans to focus on broadening the charity's care portfolio to include independent living accommodation. Consistent with its development plans, the charity intends to seek opportunities to purchase additional homes in areas consistent with the current portfolio.

The trustees continue to look at fundraising opportunities that will also publicise the homes, the excellent care that they offer and additional services the charity provides.

Structure, governance and management

The Company was incorporated as a company limited by guarantee on 31 May 2005 and as such has no share capital. It is governed by Articles of Association that were reviewed and updated in 2010 and subject to further review and amendment in 2014, 2018 and 2021.

The Company was registered as a charity on 2 December 2005 by the Charity Commission for England and Wales.

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. A list of the trustees is given on the Legal and Administration page to the financial statements. All of the trustees named on that page served during the year.

Trustees may serve a maximum of five terms of three years. A trustee who has completed five consecutive terms of office will not be eligible for reappointment until one year has elapsed since the end of his or her last term of office.

The Board of Trustees can consist of at least three and not more than twelve persons elected by the Members by ordinary resolution at an AGM. A person may not act as a trustee unless he or she:

- supports the Objects, is a Christian and has a dedication to promote Christian fellowship;
- agrees to also become a Member;
- is over the age of 18; and
- has signed a written declaration of willingness to act as a Member and as a trustee of the charity.

In October 2017 the historically close relationship between the charity and The Leaders of Worship and Preachers Trust came to an end. A key consequence is that the Board no longer has access to the mailing lists associated with the Ichthus magazine which hitherto has been the core medium for communication with friends and for the recruitment of new trustees. New lines of communication through the Methodist and Wesleyan Reform Union church organisations are being progressed to ensure that the charity is able to communicate effectively with its traditional supporters. Another consequence is that the charity is no longer able to enjoy the traditional mutual benefit of legacies and other donations made to LWPT.

New trustees are provided with copies of the Charity Commission leaflets CC3 & CC3a and are provided with training as required.

Policy decisions concerning the charity are made by the trustees as a whole. Specialist areas such as Finance and Investments are delegated to the CEO and an external financial adviser appointed by the Board. Day to day administrative functions, such as resident contracts, local authority contracts, bookkeeping and payroll, are delegated to the Operations Manager and CEO.

The charity enjoys excellent relationships with its main stakeholders within the Methodist and Wesleyan Reform Churches and meets their officers regularly to discuss matters of common interest.

Employee involvement and employment of the disabled

The trustees wish to record thanks to all the staff who have contributed to the success of the charity during the period under review.

The trustees are not aware of any staff members who are registered as disabled but have the necessary facilities to enable disabled people with the appropriate skills to work for the charity. Due recognition of the Disabilities Discrimination Act is exercised where staff members need assistance and support when returning from sick leave or are undergoing treatment whilst working.

Trustees
The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Benfield
C Braithwaite
M Armitage
J Chapman
D J C Greet
G Evans
J A Close-Mitchell (resigned 20 October 2023)

Statement of trustees' responsibilities
The trustees, who are also the directors of The Leaders of Worship and Preachers Homes for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor
A resolution will be proposed at the forthcoming Annual General Meeting that Gowers Limited, Chartered Accountants, who were reappointed during the financial year, be reappointed as auditors for the ensuing year.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

C Braithwaite
Trustee
Dated: 18th March 2025

THE LEADERS OF WORSHIP AND PREACHERS HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE LEADERS OF WORSHIP AND PREACHERS HOMES

Opinion

We have audited the financial statements of The Leaders of Worship and Preachers Homes (the 'charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 August 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

The charity is subject to laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011, employment legislation; health and safety legislation, the regulatory requirements of the Care Quality Commission.

Audit response to risks identified
Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



David M Green (Senior Statutory Auditor)
for and on behalf of Gowers Limited

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Herts WD4 8SZ

18th March 2025

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Income from:						
Donations and gifts	3	72,602	-	3,194	75,796	188,021
Charitable activities	4	2,985,623	-	-	2,985,623	3,092,467
Investments	5	10,770	-	788	11,558	9,046
Total income		3,068,995	-	3,982	3,072,977	3,289,714
Expenditure on:						
Raising funds	6	14,362	-	-	14,362	7,863
Charitable activities	7	2,937,641	-	10,858	2,948,499	2,850,350
Total resources expended		2,952,003	-	10,858	2,962,861	2,858,213
Net gains/(losses) on investments	11	82,394	-	-	82,394	(18,128)
Net movements before transfers		199,386	-	(6,876)	192,510	413,373
Gross transfers		(77,174)	73,386	3,788	-	-
Net incoming/(outgoing)		122,212	73,386	(3,088)	192,510	413,373
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit		-	(35,386)	-	(35,386)	(177,822)
Net movement in funds		122,212	38,000	(3,088)	157,124	235,551
Fund balances at 1 September 2023		4,635,618	(1,165,000)	28,515	3,499,133	3,263,582
Fund balances at 31 August 2024		4,757,830	(1,127,000)	25,427	3,656,257	3,499,133

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE LEADERS OF WORSHIP AND PREACHERS HOMES

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	**12**		4,208,836		4,063,565
Investments	**13**		686,554		604,160
			4,895,390		4,667,725
Current assets					
Stocks	**14**	6,735		6,455	
Debtors	**15**	9,767		14,287	
Cash at bank and in hand		589,884		854,500	
		606,386		875,242	
Creditors: amounts falling due within one year	**17**	(155,317)		(185,100)	
Net current assets			451,069		690,142
Total assets less current liabilities			5,346,459		5,357,867
Creditors: amounts falling due after more than one year	**18**		(353,202)		(383,734)
Provisions for liabilities			(1,337,000)		(1,475,000)
Net assets			3,656,257		3,499,133
Income funds					
Restricted funds	**20**		25,427		28,515
Unrestricted funds					
Designated funds	**22**	(1,127,000)		(1,165,000)	
General unrestricted funds		4,102,950		3,980,738	
Revaluation reserve		654,880		654,880	
			3,630,830		3,470,618
			3,656,257		3,499,133

The financial statements were approved by the Trustees on 18th March 2025.

C Braithwaite
Trustee

J Benfield
Trustee

Company Registration No. 05467350

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash generated from operations	**24**		75,901		468,893
Investing activities					
Purchase of tangible fixed assets		(324,117)		(92,800)	
Capital invested		-		(170,000)	
Investment income received		11,558		9,046	
Net cash (used in)/generated from investing activities			(312,559)		(253,754)
Financing activities					
Proceeds of new bank loans		-		-	
Repayment of bank loans		(27,958)		(296,225)	
Net cash generated from/(used in) financing activities			(27,958)		(296,225)
Net increase in cash and cash equivalents			(264,616)		(81,086)
Cash and cash equivalents at beginning of year			854,500		935,586
Cash and cash equivalents at end of year			589,884		854,500

1 Accounting policies

Charity information

The Leaders of Worship and Preachers Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Winton Avenue, Westcliff on Sea, Essex, SS0 7QU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). 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 £, except in note 19, where figures are given in multiples of £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

The charitable company does have a pension fund deficit of £1,337,000 at the year end. This is covered by the charitable company's fixed assets (net book value £4,208,836 at 31 August 2024). In addition, the charitable company has an agreed plan to pay off the deficit out of its annual income over a period approved by the pension scheme's trustees and actuary.

Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

The pension fund relates to a defined benefit pension scheme which ceased on 31 March 2003. This is fully disclosed due to its significance.

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

1.4 Income

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

1 Accounting policies

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

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

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

1.6 Tangible fixed assets

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

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

Freehold land	Nil
Freehold buildings	over 10, 20 or 25 years as appropriate
Fixtures and Fittings	over 5 years

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

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies

1.12 Retirement benefits

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

Until 31 March 2003 Methodist Local Preachers Mutual Aid Association (MLPMAA) operated a pension scheme providing benefits based on final pensionable pay as principal employer, with LWPHomes (formerly Mutual Aid Homes) as a participating employer. The entire scheme was made paid up on 31 March 2003. The employers are committed to paying monthly contributions to fund the deficit. From 1 April 2022 to 31 March 2023 the commitment was £178,288 per annum and from 1 April 2023 this increased to £179,520 per annum, increasing by 5.8% pa on 1 April every year until 1 June 2032. LWPHomes are committed to fund this payment (previously 90% of the total).

The current service cost of providing defined pension benefits in schemes operated by the charitable company is charged to salaries in the Statement of Financial Activities over the anticipated period of employment in accordance with recommendations made by independent qualified actuaries. The interest cost and the expected return on assets are shown as a net amount and reflected in the Statement of Financial Activities in a similar fashion. Actuarial gains and losses are recognised immediately within 'net actuarial gains and losses' on the face of the Statement of Financial Activities. A provision for the current defined benefit scheme pension fund deficit is made on the face of the balance sheet and the corresponding figure is shown as a separate component of the charitable company's restricted funds.

The amounts charged to the Statement of Financial Activities for defined contribution schemes represent the contributions payable to the schemes in respect of the period.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds general 2024 £	**Restricted funds 2024 £**	**Total 2024 £**	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	14,423	3,194	17,617	26,082	2,119	28,201
Legacy	58,179	-	58,179	160,000	-	160,000
	72,602	3,194	75,796	186,082	2,119	188,201

4 Charitable activities

	Provision of care homes 2024 £	Provision of care homes 2023 £
Resident Fees - Local Authority funding	520,862	493,641
Resident Fees - Private funding	2,424,445	2,554,176
Respite Care	39,248	44,554
Ancillary trading income	1,068	96
	2,985,623	3,092,467

5 Investments

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Investment income	11,558	9,046

6 Raising funds

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Fundraising and publicity		
Publicity	300	2,340
Press advertising	5,476	2,437
Website costs	428	425
Fundraising and publicity	6,204	5,202
Investment management	8,157	2,661
	14,361	7,863

7 Charitable activities

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
Staff costs	2,025,066	1,824,200
Depreciation and impairment	178,846	164,145
Operational costs	195,880	213,719
Pension rectification costs	-	130,189
Staff welfare	11,430	9,853
Recruitment costs	3,946	14,575
Staff training	5,780	9,120
Premises costs	125,497	100,262
Insurance	47,576	41,709
Repairs	52,849	65,294
Telephone	13,313	13,619
Board and committee expenses	5,294	2,719
Communication and computer costs	43,444	37,283
Maintenance contracts	58,228	56,533
Other charitable expenditure	57,065	60,024
	2,824,214	2,743,244
Share of governance costs (see note 8)	124,285	107,106
	2,948,499	2,850,350

7 Charitable activities

Analysis by fund		
Unrestricted funds - general	2,937,642	2,839,407
Unrestricted funds - designated	-	-
Restricted funds	10,857	10,943
	2,948,499	2,850,350

8 Support costs

	Support costs	**Governance costs**	**2024**	Support costs	Governance costs	2023
	£	**£**	**£**	£	£	£
Audit and accountancy fees	-	10,124	10,124	-	9,716	9,716
Legal and professional fees	-	114,161	114,161	-	97,390	97,390
	-	124,285	124,285	-	107,106	107,106
Analysed as						
Charitable activities	-	124,285	124,185	-	107,106	107,106

Governance costs includes payments to the auditors of £10,124 VAT included (2023 – £9,716 VAT included) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Out of pocket expenses totalling £4,987 (2023 – £2,719) were reimbursed to 4 trustees (2023 – 3 trustees) in relation to travel costs.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2023 Number
Direct charitable work	86	80

Employment costs	2024	2023
	£	£
Wages and salaries	1,840,944	1,651,520
Social security costs	135,914	127,754
Other pension costs	39,620	36,845
	2,016,478	1,816,119

There was 1 employee (2023: 1 employee) whose annual remuneration was £60,000 or more, falling in the range £75,000 - £80,000 (2023: £65,000 - £70,000).

11 Net gains/(losses) on investments

	Unrestricted funds general 2024	Unrestricted funds general 2023
	£	£
Revaluation of investments	82,394	(18,128)

12 Tangible fixed assets

	Freehold Land and Buildings	Fixtures and Fittings	Total
	£	£	£
Cost or valuation			
At 1 September 2023	4,849,335	718,426	5,567,761
Additions	265,058	59,059	324,117
At 31 August 2024	5,114,393	777,485	5,891,878
Depreciation and impairment			
At 1 September 2023	870,231	633,965	1,504,196
Depreciation charged in the year	146,620	32,226	178,846
At 31 August 2024	1,016,851	666,191	1,683,042
Carrying amount			
At 31 August 2024	4,097,542	111,294	4,208,836
At 31 August 2023	3,979,104	84,461	4,063,565

Land and buildings with a carrying amount of £4,432,488 were revalued at 31 August 2016 by Roger Millthrop Consulting Limited, Chartered Surveyors not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The management believe the carrying value of today's date to be a fair reflection of the value as revalued by Roger Millthrop considering the additions and improvements made since that date.

12 Tangible fixed assets

At 31 August 2024, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,546,628 (2023 - £3,290,237).

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2023	604,160
Additions	-
Valuation changes	85,910
Fees	(3,516)
At 31 August 2024	686,554
Carrying amount	
At 31 August 2024	686,554
At 31 August 2023	604,160

14 Stocks

	2024 £	2023 £
Consumables	6,735	6,455

15 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	9,478	14,014
Prepayments and accrued income	289	273
	9,767	14,287

16 Loans and overdrafts

	2024	2023
	£	£
Bank loans	383,766	411,724
Payable within one year	30,564	27,990
Payable after one year	353,202	383,734
Amounts included above which fall due after five years:		
Payable by instalments	200,050	246,461

17 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans	16	30,564	27,990
Other taxation and social security		34,513	28,733
Government grants		-	55,078
Trade creditors		68,129	100,821
Accruals and deferred income		22,111	27,556
		155,317	185,100

18 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Bank loans	16	353,202	383,734

The remaining long-term loan is secured by a fixed legal charge over Westerley Christian Care Home, The Broadway, Woodhall Spa, Lincolnshire.

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £39,620 (2023 – £36,845).

Defined benefit schemes (see below)

19 Retirement benefit schemes (continued)

Key assumptions

	2024	2023
	%	%
Discount rate	4.89%	5.13%
Expected rate of increase of pensions in payment	3.16%	3.28%
RPI inflation rate	3.04%	3.13%
Pension increase in deferment	5.00%	5.00%

Mortality assumptions

The assumed life expectations on retirement at age 60 are:

	2024	2023
	Years	Years
Retiring today		
- Males	85.8	85.8
- Females	88.6	88.5
Retiring in 20 years		
- Males	87.0	86.9
- Females	89.8	89.6

Amounts recognised in the profit and loss account:

	2024	2023
	£	£
Past service cost	-	87,000
Net interest on defined benefit liability/(asset)	73,000	55,000

Remeasurements recognised in other comprehensive income:

	2024	2023
	£	£
Return on scheme assets excluding interest income	63,000	(788,000)
Effect of changes in assumptions gain/(loss)	(93,000)	769,000
Effect of experience adjustments gain/(loss)	(3,000)	(16,000)
Total remeasurement gain/(loss)	(33,000)	(35,000)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2024	2023
	£	£
Present value of defined benefit obligations	4,496,000	3,916,000
Fair value of plan assets	(3,159,000)	(2,441,000)
Deficit in scheme	1,337,000	1,475,000

19 Retirement benefit schemes

Movements in the present value of defined benefit obligations:

	2024
	£
Liabilities at 1 September 2023	3,916,000
Benefits paid	(180,000)
Effect of changes in assumptions (gain)/loss	93,000
Effect of experience adjustments (gain)/loss	3,000
Interest cost	206,000
Past service cost	-
Liabilities assumed in business combination	458,000
At 31 August 2024	4,496,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2024
	£
Fair value of assets at 1 September 2023	2,441,000
Interest income	133,000
Return on plan assets (excluding amounts included in net interest)	63,000
Benefits paid	(180,000)
Contributions by the employer	173,000
Assets acquired in business combination	529,000
At 31 August 2023	3,159,000

Reconciliation of funded position:

	2024	2023
	£	£
Net defined benefit liability at start of period	(1,475,000)	(1,496,000)
Expense recognised in profit and loss	(2,000)	(142,000)
Gain/(loss) recognised in other comprehensive income	(33,000)	(35,000)
Contributions made by the charity	173,000	158,000
Net defined benefit liability at the end of the period;	(1,337,000)	(1,475,000)

The fair value of plan assets at the reporting period end was as follows:

	2024	2023
	£	£
Equity instruments	372,000	124,000
Corporate bonds	285,000	243,000
Liability Driven Investments	1,630,000	1,605,000
Cash	425,000	49,000
Insured pensioners	447,000	420,000
	3,159,000	2,441,000

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			
	Balance at 1 September 2023	Incoming resources	Resources expended	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Amenities – Minehead	14,078	2,473	(5,172)	1,408	12,787
Amenities – Westcliff	5,414	1,017	(3,140)	1,000	4,291
Amenities – Woodhall Spa	9,023	492	(2,546)	1,380	8,349
	28,515	3,982	(10,858)	3,788	25,427

The amenities relate to balances available to use for each individual care home.

21 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	2024	2024	2024	2024
	£	£	£	£
Fund balances at 31 August 2024 are represented by:				
Tangible assets	4,208,836	-	-	4,208,836
Investments	686,554	-	-	686,554
Current assets/(liabilities)	215,642	210,000	25,427	451,069
Long term liabilities	(353,202)	-	-	(353,202)
Provisions and Pensions	-	(1,337,000)	-	(1,337,000)
	4,757,830	(1,127,000)	25,427	3,656,257

	Unrestricted funds	Designated funds	Restricted funds	Total
	2023	2023	2023	2023
	£	£	£	£
Fund balances at 31 August 2023 are represented by:				
Tangible assets	4,063,565	-	-	4,063,565
Investments	604,160	-	-	604,160
Current assets/(liabilities)	351,627	310,000	28,515	690,142
Long term liabilities	(383,734)	-	-	(383,734)
Provisions and Pensions	-	(1,475,000)	-	(1,475,000)
	4,635,618	(1,165,000)	28,515	3,499,133

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 September 2023	Incoming resources	Resources expended	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Capital reserves	310,000	-	(100,000)	-	210,000
Pension reserve	(1,475,000)	173,386	-	(35,386)	(1,337,000)
	(1,165,000)	173,386	(100,000)	(35,386)	(1,127,000)

The capital reserve fund was created to fund future capital works at the homes.

23 Operating lease commitments

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	8,685	7,190
Between two and five years	29,398	22,220
Over five years	1,295	2,438
	39,378	31,848

24 Cash generated from operations	**2024**	2023
Surplus for the year	192,510	413,373
Adjustments for:		
Investment income recognised in statement of financial activities	(11,558)	(9,046)
Fair value gains and losses on investments	(82,394)	(2,570)
Depreciation and impairment of tangible fixed assets	178,846	164,145
Pension recovery cash contributions	(173,386)	(158,822)
Movements in working capital:		
Decrease/(increase) in stocks	(280)	1,470
(Increase)/decrease in debtors	4,520	(67,588)
Increase/(decrease) in creditors	(32,357)	(6,205)
Cash generated from operations	75,901	468,893

25 Analysis of changes in net funds/(debt)

	At 1 September 2023	Cash flows	At 31 August 2024
	£	£	£
Cash at bank and in hand	854,500	(264,616)	589,884
Loans falling due within one year	(27,990)	(2,574)	(30,564)
Loans falling due after more than one year	(383,734)	30,532	(353.202)
	442,776	(236,658)	206,118

26 Related party transactions

There were no disclosable related party transactions during the year.

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2024	2023
	£	£
Aggregate compensation	77,862	114,696

THE LEADERS OF WORSHIP AND PREACHERS HOMES

England & Wales - Charity number 1112378

Accounts

Charity Registration No. 1112378

Company Registration No. 05467350 (England and Wales)

THE LEADERS OF WORSHIP AND PREACHERS HOMES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

THE LEADERS OF WORSHIP AND PREACHERS HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Hudson	(resigned 17 March 2023)
	J Benfield	
	C Braithwaite	
	M Armitage	
	J Chapman	
	D J C Greet	(appointed 17 March 2023)
	G Evans	(appointed 17 March 2023)
	J A Close-Mitchell	(appointed 6 June 2023, and resigned 20 October 2023)
Secretary	A J Needham	(resigned 1 August 2023)
	S Lee	(appointed 1 August 2023)
Charity number	1112378	
Company number	05467350	
Registered office	1 Winton Avenue Westcliff on Sea Essex SS0 7QU	
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Herts WD4 8SZ	
Website	https://www.lwphomes.org.uk/	
Solicitors	Moore Barlow The Oriel Sydenham Road Guildford GU1 3SR	

THE LEADERS OF WORSHIP AND PREACHERS HOMES

CONTENTS

	Page
Trustees' report	1 - 8
Independent auditor's report	9 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 32

THE LEADERS OF WORSHIP AND PREACHERS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Charitable objects
The objects of LWPHomes, supported by voluntary contributions, are to carry on, for the public benefit, the provision of housing and any associated amenities such as treatment, care, advice and advocacy, for those who require such provision on account of sickness, infirmity, or other charitable need, on terms appropriate to their means - Priority shall be given to those who:

(a) are involved in leading worship and/or preaching;
(b) are in training for, or retired from, the activities of leading worship and/or preaching;
(c) are the widows, widowers, parents, parents in law, children and other dependents of persons described in (a) and (b), provided that they are or have been part of a church organisation having objectives agreed by the trustees as being similar to those held by the Methodist Church and the Wesleyan Reform Union and the Local Ecumenical Partnerships that include Methodists.

The charity operates three homes at Westcliff-on-Sea in Essex, Minehead in Somerset and Woodhall Spa in Lincolnshire. The three homes are registered to provide residential care for a maximum of 78 residents. In addition, the charity operates ten self-contained flats and communal facilities providing supported living accommodation at Milborne Port, Somerset and two self-contained flats at Minehead.

Although restricted Methodist Local Preachers Mutual Aid Association (LPMA) funds currently held and managed by the Leaders of Worship and Preachers Trust can, and have historically, been applied to all aspects of LWPHomes business no grants were applied for during the year in question. During the year an additional £70,000 was donated by LPMA as a contribution towards the rectification of legal matters relating to the Pension Scheme discussed in the financial review on page 4. It is hoped that further grants will be received in future.

Aims of the charity
Providing those who want it with the opportunity to live their retirement in an actively Christian based community.

Objectives for the year
Following the impact of the global pandemic having become more part of normal life the charity's 5 objectives for the year were:

1. To take all necessary steps to safeguard the residents, staff and (when and where allowed) visitors at our sites from all potential risks including the Covid-19 virus.
2. To continue the work to reinforce relationships with the Methodist and Wesleyan Reform Union Church organisations and their individual churches to ensure that the charity's work can be carried out with a positive Christian care dimension.
3. Financial: Without prejudice to service standards, to maximise the scope for modest surplus from the 3 established homes and the flats on the Minehead and Gainsborough sites. To ensure that there is sufficient surplus from routine operations to provide for the potential development of the business model and capital / planned maintenance work.
4. To consider options for development of care services provided. with the focus on acquiring an additional home and considering options for additional independent living accommodation consistent with the objects.
5. Care standards: Ongoing review all aspects of compliance with the care standards to benefit the residents and to meet the exacting requirements of Care Quality Commission.

Strategies for achieving objectives
The charity operates an LWPHomes specific website (www.lwphomes.org.uk) which places great emphasis on care matters and allows it to present itself in a more visible manner for potential clients who seek active Christian care. In the course of the year, the website was developed further to support governance and trustee recruitment and to provide an online portal of information about the (closed to new membership) MLPMAA pension scheme. The charity is a member of the NCVO to provide for trustee training and a wide range of other potential benefits. The charity also maintains enhanced listings on the www.carehomes.co.uk and www.carechoices.co.uk websites.

Statement on compliance with Charity Commission guidance on public benefit
When deciding on activities and events, LWPHomes' trustees pay due regard to the Charity Commission's guidance on public benefit as set out in section 17 of the Charities Act 2011 and the published advice of the Charity Commission.

Business of the Charity
The charity's aim is to provide those who want it with:

- The opportunity to live their retirement in an actively Christian based community by the provision of accommodation and subsistence.
- Physical and emotional security.
- A family environment (encourage the presence of relatives and maintain relationships with friends and the wider community although such opportunities have been necessarily severely restricted during the pandemic. Both residents and families have been very supportive of the actions taken in this respect).
- Christian community.
- A Christian lifestyle (e.g. Daily Devotions)
- Recreation- both physical and mental stimulation
- Healthcare- preventative, restorative and palliative.

The core standards for all aspects of the delivery of care are prescribed by legislation and regulated by the Care Quality Commission.

Significant activities
All of the homes maintain close contact and partnership with local churches and have started again to hold annual 'anniversary open days' and other events that enable visitors into the homes and also allow the residents to share in an additional area of social activity. Links with the Wesleyan Reform Union remain strong which helps LWPHomes to communicate with its members. Efforts have continued to ensure that LWPHomes is still seen as very much a part of the Methodist family but progress remains slow. Consultations with the Methodist Church continue in the hope that the Methodist Calendar will allow for a LWPH Sunday both to promote the charity's purpose and to foster the interest of friends and hopefully financial support through donations.

Use of volunteers
Each home arranges social events within the home, outings, fund raising events. The pastoral support given to homes has been subject to comprehensive review with trustees taking on a closer role to support the homes' residents and staff. The reduction in the day-to-day impact of Covid-19 has meant such activities are starting to return to pre-pandemic norms.

Strategic report

Achievements and performance

Charitable achievements

LWPHomes monitors its performance by the health and happiness of its residents It is not unusual for residents to achieve their 100th birthday. Trustees of LWPHomes plan to make a minimum of one pastoral visit per annum to each home, and reports are made to the trustees for consideration at Board meetings. In the unlikely event of any concerns being raised, they are fully investigated by the Operations Manager, the CEO and the Chairman of the Board of Trustees.

Fundraising achievements

Any fundraising activities that take place locally, such as the annual anniversary days mentioned above under 'significant activities', provide funds for additional social benefits for residents. They do not support mainstream expenditure.

Investment performance

The trustees have, as permitted under the Articles of Association, appointed professional investment managers to exercise their powers of investment. The trustees have the power to invest any sums not immediately needed. The investment policy is reviewed annually when Coutts the investment manager reports on investment performance to the trustees.

LWPHomes pursues a policy of ethical investment. The fund managers are instructed to invest in investments that will maximise income returns within the ethical policy.

Major changes in the financial markets notwithstanding, the investment returns during the year have been satisfactory in the light of financial trends.

Financial review

A summary of the results for the year is shown on pages 13 to 16.

During the year under review LWPHomes had an operating surplus of £431,500. Within this total £164,145 related to depreciation of fixed assets. There were then losses on investment assets of £18,127 reducing the overall surplus to £413,373. Included within this total is a legacy of £160,000 gratefully received by the Trustees. After discussion with the executors of the estate it has been agreed that this will be put towards improvements at the Minehead home and the cost of the development at the Woodhall Spa home that will create three new residents' rooms. The unveiling of a suitable plaque of recognition is planned when the development is completed in early 2024. The actuarial valuation of the closed defined benefit pension scheme showed an increase in the deficit during the year of £19,000, largely due to changes in assumptions concerning discount and mortality rates adding to the agreed contributions by the employers. The charity continues to pay the agreed contributions to the scheme to reduce the deficit over time.

As reported in previous years, trustees were informed by the trustees of the Methodist Local Preachers Mutual Aid Association Pension Scheme of which LWPHomes is the 'Principal Employer' that the legal procedure undertaken in 2003 to cease accruals to the Members of the Scheme had been undertaken incorrectly. As Principal Employer LWPHomes is responsible for the administration of the scheme and therefore sought to resolve this issue. The court case was heard in November 2022 and found in the favour of the Scheme. The Pension Scheme Trustees have since taken advice on the steps necessary to implement the changes necessary following the court decision.

Reserves Policy

During the period the trustees considered what the reserve requirements were, in line with the Charity Commission guidelines. This covered setting a policy reflecting the wish to safely commit as much as possible to provide suitable support to beneficiaries.

It is the policy of the trustees to maintain unrestricted funds at a level to enable the charity to operate effectively. The trustees consider that the unrestricted reserves should ideally be maintained at a level equivalent to at least 3 months' running costs to enable an orderly wind down in the event of the charity's closure. This amount would currently be £719,000 (2022: £639,000).

Our total reserves are	£3,499,133
Of which:	
Amount restricted to donor nominated purposes	£28,515
Amount capitalised in tangible fixed assets	£4,063,565
Amount required to fund pension deficit	(£1,475,000)
Amount allocated to capital reserve	£310,000
Amount available to meet current operations	£572,053

The current level of reserves is below the level that the trustees have set as an optimum level for LWPHomes to hold. Efforts are being made to increase the level of reserves from operational surpluses without compromising the level of care provided. In line with best practice, the reserves policy is reviewed annually.

Principal sources of income and how expenditure meets objectives
The principal source of income is resident fees, mainly from 'self-financing' residents, although some residents are funded, in some cases partly, by local authorities. The local authorities visit the homes annually to ensure that the homes are meeting their terms and conditions in regard to care provision and to ensure our practices are monitored and reviewed in line with changes in the care sector.

Risk Management Review

The charity adopts a risk management review strategy that is an integral part of its Business Plan and contributes directly to the risk management assessment made by the Pension Trustees. Trustees have reviewed the major risks to which the charity is exposed, which include damage to reputation, criminal acts, data loss, health and safety, and change to funding sources, and have established systems to mitigate those risks. Day to day operational risks are minimised by the implementation of procedures for the authorisation of all transactions and project management to ensure consistent quality of delivery for all aspects of the charity. These procedures are reviewed periodically to ensure that they meet the needs of the charity.

There have been no examples of fraud identified by the trustees during the period.

Plans for future periods
Capital spend over the last few years has brought the three homes to a high standard of repair and development with a clear planned preventative maintenance strategy. This allows for future plans to focus on broadening the charity's care portfolio to include independent living accommodation. Consistent with its development plans, the charity intends to seek opportunities to purchase additional homes in areas consistent with the current portfolio.

The trustees continue to look at fundraising opportunities that will also publicise the homes, the excellent care that they offer and additional services the charity provides.

Structure, governance and management

The Company was incorporated as a company limited by guarantee on 31 May 2005 and as such has no share capital. It is governed by Articles of Association that were reviewed and updated in 2010 and subject to further review and amendment in 2014, 2018 and 2021.

The Company was registered as a charity on 2 December 2005 by the Charity Commission for England and Wales.

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. A list of the trustees is given on the Legal and Administration page to the financial statements. All of the trustees named on that page served during the year.

Trustees may serve a maximum of five terms of three years. A trustee who has completed five consecutive terms of office will not be eligible for reappointment until one year has elapsed since the end of his or her last term of office.

The Board of Trustees can consist of at least 3 and not more than twelve persons elected by the Members by ordinary resolution at an AGM. A person may not act as a trustee unless he or she:

- supports the Objects, is a Christian and has a dedication to promote Christian fellowship;
- agrees to also become a Member;
- is over the age of 18; and
- has signed a written declaration of willingness to act as a Member and as a trustee of the charity.

In October 2017 the historically close relationship between the charity and The Leaders of Worship and Preachers Trust came to an end. A key consequence is that the Board no longer has access to the mailing lists associated with the Ichthus magazine which hitherto has been the core medium for communication with friends and for the recruitment of new trustees. New lines of communication through the Methodist and Wesleyan Reform Union church organisations are being progressed to ensure that the charity is able to communicate effectively with its traditional supporters. Another consequence is that the charity is no longer able to enjoy the traditional mutual benefit of legacies and other donations made to LWPT.

New trustees are provided with copies of the Charity Commission leaflets CC3 & CC3a and are provided with training as required.

Policy decisions concerning the charity are made by the trustees as a whole. Specialist areas such as Finance and Investments are delegated to the CEO and an external financial adviser appointed by the Board. Day to day administrative functions, such as resident contracts, local authority contracts, bookkeeping and payroll, are delegated to the Operations Manager and CEO.

The charity enjoys excellent relationships with its main stakeholders within the Methodist and Wesleyan Reform Churches and meets their officers regularly to discuss matters of common interest.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Hudson	(resigned 17 March 2023)
J Benfield	
C Braithwaite	
M Armitage	
J Chapman	
D J C Greet	(appointed 17 March 2023)
G Evans	(appointed 17 March 2023)
J A Close-Mitchell	(appointed 6 June 2023 and resigned 20 October 2023)

Statement of trustees' responsibilities

The trustees, who are also the directors of The Leaders of Worship and Preachers Homes for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution will be proposed at the forthcoming Annual General Meeting that Gowers Limited, Chartered Accountants, who were reappointed during the financial year, be reappointed as auditors for the ensuing year.

Employee involvement and employment of the disabled

The trustees wish to record thanks to all the staff who have contributed to the success of the charity during the period under review.

The trustees are not aware of any staff members who are registered as disabled but have the necessary facilities to enable disabled people with the appropriate skills to work for the charity. Due recognition of the Disabilities Discrimination Act is exercised where staff members need assistance and support when returning from sick leave or are undergoing treatment whilst working.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

C Braithwaite
Trustee
Dated: 19th March 2024

THE LEADERS OF WORSHIP AND PREACHERS HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE LEADERS OF WORSHIP AND PREACHERS HOMES

Opinion

We have audited the financial statements of The Leaders of Worship and Preachers Homes (the 'charity') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 August 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

The charity is subject to laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011, employment legislation; health and safety legislation, the regulatory requirements of the Care Quality Commission.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

Audit response to risks identified
Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David M Green (Senior Statutory Auditor)
for and on behalf of Gowers Limited

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Herts WD4 8SZ

16th March 2024

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:						
Donations and gifts	3	186,082	-	2,119	188,021	118,088
Charitable activities	4	3,092,467	-	-	3,092,467	2,751,950
Investments	5	8,568	-	478	9,046	1,534
Total income		3,287,117	-	2,597	3,289,714	2,871,572
Expenditure on:						
Raising funds	6	7,863	-	-	7,863	5,366
Charitable activities	7	2,839,407	-	10,943	2,850,350	2,529,683
Total resources expended		2,847,270	-	10,943	2,858,213	2,535,049
Net gains/(losses) on investments	11	(18,128)	-	-	(18,128)	(19,271)
Net movements before transfers		421,719	-	(8,346)	413,373	317,252
Gross transfers		(329,234)	318,822	10,412	-	-
Net incoming/(outgoing)		92,485	318,822	2,066	413,373	317,252
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit		-	(177,822)	-	(177,822)	481,804
Net movement in funds		92,485	141,000	2,066	235,551	799,056
Fund balances at 1 September 2022		4,543,133	(1,306,000)	26,449	3,263,582	2,464,526
Fund balances at 31 August 2023		4,635,618	(1,165,000)	28,515	3,499,133	3,263,582

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE LEADERS OF WORSHIP AND PREACHERS HOMES

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	12		4,063,565		4,134,911
Investments	13		604,160		431,590
			4,667,725		4,566,501
Current assets					
Stocks	14	6,455		7,925	
Debtors	15	14,287		80,835	
Cash at bank and in hand		854,500		935,586	
		875,242		1,024,346	
Creditors: amounts falling due within one year	17	(185,100)		(201,130)	
Net current assets			690,142		823,216
Total assets less current liabilities			5,357,867		5,389,717
Creditors: amounts falling due after more than one year	18		(383,734)		(670,135)
Provisions for liabilities			(1,475,000)		(1,456,000)
Net assets			3,499,133		3,263,582
Income funds					
Restricted funds	20		28,515		26,449
Unrestricted funds					
Designated funds	22	(1,165,000)		(1,306,000)	
General unrestricted funds		3,980,738		3,888,253	
Revaluation reserve		654,880		654,880	
			3,470,618		3,237,133
			3,499,133		3,263,582

The financial statements were approved by the Trustees on 19th March 2024.

C Braithwaite
Trustee

J Benfield
Trustee

Company Registration No. 05467350

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	**25**		468,893		265,957
Investing activities					
Purchase of tangible fixed assets		(92,800)		(63,129)	
Capital invested		(170,000)		-	
Investment income received		9,046		1,534	
Net cash (used in)/generated from investing activities			(253,754)		(61,595)
Financing activities					
Proceeds of new bank loans		-		104,026	
Repayment of bank loans		(296,225)		(32,318)	
Net cash generated from/(used in) financing activities			(296,225)		71,708
Net increase in cash and cash equivalents			(81,086)		276,070
Cash and cash equivalents at beginning of year			935,586		659,516
Cash and cash equivalents at end of year			854,500		935,586

1 Accounting policies

Charity information

The Leaders of Worship and Preachers Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Winton Avenue, Westcliff on Sea, Essex, SS0 7QU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). 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 £, except in note 19, where figures are given in multiples of £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

The charitable company does have a pension fund deficit of £1,475,000 at the year end. This is covered by the charitable company's fixed assets (net book value £4,063,565 at 31 August 2023). In addition, the charitable company has an agreed plan to pay off the deficit out of its annual income over a period approved by the pension scheme's trustees and actuary.

Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

The pension fund relates to a defined benefit pension scheme which ceased on 31 March 2003. This is fully disclosed due to its significance.

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

1.4 Income

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

1 Accounting policies

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

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

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

1.6 Tangible fixed assets

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

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

Freehold land	Nil
Freehold buildings	over 10, 20 or 25 years as appropriate
Fixtures and Fittings	over 5 years

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

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies

1.12 Retirement benefits

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

Until 31 March 2003 Methodist Local Preachers Mutual Aid Association (MLPMAA) operated a pension scheme providing benefits based on final pensionable pay as principal employer, with LWPHomes (formerly Mutual Aid Homes) as a participating employer. The entire scheme was made paid up on 31 March 2003. The employers are committed to paying monthly contributions to fund the deficit. From 1 April to 31 March 2022 the commitment was £169,212 per annum and from 1 April 2022 this increased to £174,288 per annum, increasing by 3% pa on 1 April every year until 1 June 2032. LWPHomes are committed to fund 90% of this payment.

The current service cost of providing defined pension benefits in schemes operated by the charitable company is charged to salaries in the Statement of Financial Activities over the anticipated period of employment in accordance with recommendations made by independent qualified actuaries. The interest cost and the expected return on assets are shown as a net amount and reflected in the Statement of Financial Activities in a similar fashion. Actuarial gains and losses are recognised immediately within 'net actuarial gains and losses' on the face of the Statement of Financial Activities. A provision for the current defined benefit scheme pension fund deficit is made on the face of the balance sheet and the corresponding figure is shown as a separate component of the charitable company's restricted funds.

The amounts charged to the Statement of Financial Activities for defined contribution schemes represent the contributions payable to the schemes in respect of the period.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds general 2023 £	**Restricted funds 2023 £**	**Total 2023 £**	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	26,082	2,119	28,201	37,375	80,713	118,088
Legacy	160,000	-	160,000	-	-	-
Infection control and other grants	-	-	-	-	33,780	33,780
	186,082	2,119	188,201	37,375	114,493	151,868

4 Charitable activities

	Provision of care homes 2023 £	Provision of care homes 2022 £
Resident Fees - Local Authority funding	493,641	478,861
Resident Fees - Private funding	2,554,176	2,090,023
Respite Care	44,554	145,520
Ancillary trading income	96	3,766
	3,092,467	2,718,170

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Investment income	9,046	1,534

6 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Fundraising and publicity		
Publicity	2,340	2,160
Press advertising	2,437	856
Website costs	425	334
Fundraising and publicity	5,202	3,350
Investment management	2,661	2,016
	7,863	5,366

7 Charitable activities

	Charitable Expenditure 2023 £	Charitable Expenditure 2022 £
Staff costs	1,824,200	1,681,000
Depreciation and impairment	164,145	160,339
Operational costs	213,719	151,490
Pension rectification costs	130,189	81,227
Staff welfare	9,853	6,427
Recruitment costs	14,575	4,915
Staff training	9,120	4,580
Premises costs	100,262	94,686
Insurance	41,709	36,511
Repairs	65,294	71,298
Telephone	13,619	13,399
Board and committee expenses	2,719	1,437
Communication and computer costs	37,283	26,789
Maintenance contracts	56,533	51,660
Other charitable expenditure	60,024	55,437
	2,743,244	2,441,195
Share of governance costs (see note 8)	107,106	88,488
	2,850,350	2,529,683

7 Charitable activities

Analysis by fund		
Unrestricted funds - general	2,839,407	2,388,571
Unrestricted funds - designated	-	-
Restricted funds	10,943	186,070
	2,850,350	2,529,683

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Audit and accountancy fees	-	9,716	9,716	-	9,604	9,604
Legal and professional fees	-	97,390	97,390	-	78,884	78,884
	-	107,106	107,106	-	88,488	88,418
Analysed between Charitable activities	-	107,106	107,106	-	88,488	88,418

Governance costs includes payments to the auditors of £9,716 VAT included (2022 – £9,604 VAT included) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Out of pocket expenses totalling £2,719 (2022 – £1,175) were reimbursed to 3 trustees (2022 – 1 trustee) in relation to travel costs.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	3022 Number
Direct charitable work	80	76

Employment costs	**2023**	2022
	£	£
Wages and salaries	1,651,520	1,528,486
Social security costs	127,754	114,676
Other pension costs	36,845	37,838
	1,816,119	1,681,000

There was 1 employee (2022: no employees) whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds general 2023	Unrestricted funds general 2022
	£	£
Revaluation of investments	(18,127)	(19,271)

12 Tangible fixed assets

	Freehold Land and Buildings	**Fixtures and Fittings**	**Total**
	£	**£**	**£**
Cost or valuation			
At 1 September 2022	4,819,311	655,560	5,474,961
Additions	30,024	62,776	92,800
At 31 August 2023	4,849,335	718,426	5,567,761
Depreciation and impairment			
At 1 September 2022	728,847	611,204	1,340,051
Depreciation charged in the year	141,384	22,761	164,145
At 31 August 2023	870,231	633,965	1,504,196
Carrying amount			
At 31 August 2023	3,979,104	84,461	4,063,565
At 31 August 2022	4,090,464	44,446	4,134,910

Land and buildings with a carrying amount of £4,432,488 were revalued at 31 August 2016 by Roger Millthrop Consulting Limited, Chartered Surveyors not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The management believe the carrying value of today's date to be a fair reflection of the value as revalued by Roger Millthrop considering the additions and improvements made since that date.

12 Tangible fixed assets

At 31 August 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,290,237 (2022 - £3,435,574).

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2022	431,590
Additions	170,000
Valuation changes	5,139
Fees	(2,569)
At 31 August 2023	604,160
Carrying amount	
At 31 August 2023	604,160
At 31 August 2022	431,590

14 Stocks

	2023 £	2022 £
Consumables	6,455	7,925

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	14,014	74,802
Prepayments and accrued income	273	6,033
	14,287	80,835

16 Loans and overdrafts

	2023	2022
	£	£
Bank loans	411,724	707,950
Payable within one year	27,990	37,815
Payable after one year	383,734	670,135
Amounts included above which fall due after five years:		
Payable by instalments	246,461	497,519

One of the loans included above (2022) was fully repaid in January 2023.

17 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	16	27,990	37,815
Other taxation and social security		28,733	25,190
Government grants	-	-	55,078
Trade creditors		100,821	74,237
Accruals and deferred income		27,556	63,888
		185,100	201,130

18 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	16	383,734	670,135

The remaining long-term loan is secured by a fixed legal charge over Westerley Christian Care Home, The Broadway, Woodhall Spa, Lincolnshire.

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £36,845 (2022 – £37,838).

Defined benefit schemes (below)

19 Retirement benefit schemes (continued)

Key assumptions

	2023	2022
	%	%
Discount rate	5.13%	3.97%
Expected rate of increase of pensions in payment	3.28%	3.19%
RPI inflation rate	3.13%	3.35%
Pension increase in deferment	5.00%	5.00%

Mortality assumptions

The assumed life expectations on retirement at age 60 are:

	2023	2022
	Years	Years
Retiring today		
- Males	85.8	86.4
- Females	88.5	89.0
Retiring in 20 years		
- Males	86.9	87.5
- Females	89.6	90.2

Amounts recognised in the profit and loss account:

	2023	2022
	£	£
Past service cost	87,000	-
Net interest on defined benefit liability/(asset)	55,000	35,000

Remeasurements recognised in other comprehensive income:

	2023	2022
	£	£
Return on scheme assets excluding interest income	(788,000)	(1,399,000)
Effect of changes in assumptions gain/(loss)	769,000	1,950,000
Effect of experience adjustments gain/(loss)	(16,000)	(35,000)
Total remeasurement gain/(loss)	(35,000)	516,000

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2023	2022
	£	£
Present value of defined benefit obligations	3,916,000	4,525,000
Fair value of plan assets	(2,441,000)	(3,069,000)
Deficit in scheme	1,475,000	1,456,000

19 Retirement benefit schemes

Movements in the present value of defined benefit obligations:

	2023
	£
Liabilities at 1 September 2022	4,525,000
Benefits paid	(120,000)
Effect of changes in assumptions (gain)/loss	(769,000)
Effect of experience adjustments (gain)/loss	16,000
Interest cost	177,000
Past service cost	87,000
At 31 August 2023	3,916,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2023
	£
Fair value of assets at 1 September 2022	3,069,000
Interest income	122,000
Return on plan assets (excluding amounts included in net interest)	(788,000)
Benefits paid	(120,000)
Contributions by the employer	158,000
At 31 August 2023	2,441,000

Reconciliation of funded position:

	2023	2022
	£	£
Net defined benefit liability at start of period	(1,496,000)	(2,092,000)
Expense recognised in profit and loss	(142,000)	(35,000)
Gain/(loss) recognised in other comprehensive income	(35,000)	516,000
Contributions made by the charity	158,000	155,000
Net defined benefit liability at the end of the period;	(1,475,000)	(1,456,000)

The fair value of plan assets at the reporting period end was as follows:

	2023	2022
	£	£
Equity instruments	124,000	1,118,000
Corporate bonds	243,000	525,000
Liability Driven Investments	1,605,000	947,000
Cash	49,000	11,000
Insured pensioners	420,000	468,000
	2,441,000	3,069,000

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			
	Balance at 1 September 2022	Incoming resources	Resources expended	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Amenities – Minehead	12,189	927	(4,964)	5,926	14,078
Amenities – Westcliff	4,073	1,326	(1,765)	1,780	5,414
Amenities – Woodhall Spa	10,187	344	(4,214)	2,706	9,023
	26,449	2,597	(10,943)	10,412	28,515

The amenities relate to balances available to use for each individual care home.

21 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	2023	2023	2023	2023
	£	£	£	£
Fund balances at 31 August 2023 are represented by:				
Tangible assets	4,063,565	-	-	4,063,565
Investments	604,160	-	-	604,160
Current assets/(liabilities)	351,627	310,000	28,515	690,142
Long term liabilities	(383,734)	-	-	(383,734)
Provisions and Pensions	-	(1,475,000)	-	(1,475,000)
	4,635,618	(1,165,000)	28,515	3,499,133

	Unrestricted funds	Designated funds	Restricted funds	Total
	2022	2022	2022	2022
	£	£	£	£
Fund balances at 31 August 2022 are represented by:				
Tangible assets	4,134,911	-	-	4,134,911
Investments	431,590	-	-	431,590
Current assets/(liabilities)	646,767	150,000	26,449	823,216
Long term liabilities	(670,135)	-	-	(670,135)
Provisions and Pensions	-	(1,456,000)	-	(1,456,000)
	4,543,133	(1,306,000)	26,449	3,263,582

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 September 2022	Incoming resources	Resources expended	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Capital reserves	150,000	160,000	-	-	310,000
Pension reserve	(1,456,000)	158,822	-	(177,822)	(1,475,000)
	(1,306,000)	318,822	-	(177,822)	(1,165,000)

The capital reserve fund was created to fund future capital works at the homes.

23 Financial commitments, guarantees and contingent liabilities

The trustees were informed during 2019 that the legal procedure undertaken in 2003, by the Principal Employer at the time - Methodist Local Preachers Mutual Aid Association, to cease accruals to the Methodist Local Preachers Mutual Aid Association Pension Scheme (of which LWPHomes is now the 'Principal Employer') had been undertaken incorrectly.

As Principal Employer LWPHomes is responsible for the administration of the scheme and therefore for the resolution of the issue.

Legal advice determined that the Amendment to the Rules of the Scheme made by the employers on 13th June 2003 purportedly to cease accrual of benefits from the Scheme on and from 1st April 2003, did not in fact operate to cease such accrual at that or any later date. In this case, then, benefits would have continued to accrue for anyone who was an active member at 1st April 2003 up to the point they left employment with the Principal or Participating Employers, or reached 65 if earlier.

Legal advice also confirmed that the intended amendment, to stop benefits accruing and to remove the link to final salary when calculating both deferred and already accrued benefits, was within the power of the Principal Employer at the time but the documents prepared at the time were deficient and did not have the meaning intended.

The Scheme has been operated by all the Principal and Participating Employers and the trustees of the Scheme since 2003 as if the amendment had been properly made.

The trustees had confirmed that as Principal Employer it was their intention to seek rectification from the Court. Counsel regarded the likelihood of success at more than 60% (2021: More than 60%). The total costs were estimated to be in the order of £350,000 (to be shared with The Leaders of Worship and Preachers Trust). The trustees' undertook a review of the case progress and costs on a monthly basis. No further provision has been included within these financial statements as the true liability was unknown until the case was heard in Court. The trustees continued to monitor their funding sources to pay for any liabilities when they fall due.

The case was heard in Court during the year and the Court confirmed rectification was granted. No liability for pensions from 13 June 2003 will therefore arise.

24 Operating lease commitments

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	7,190	9,084
Between two and five years	22,220	14,273
Over five years	2,438	4,627
	31,848	30,790

25 Cash generated from operations	**2023**	**2022**
Surplus for the year	413,373	317,252
Adjustments for:		
Investment income recognised in statement of financial activities	(9,046)	(1,534)
Fair value gains and losses on investments	(2,570)	19,271
Depreciation and impairment of tangible fixed assets	164,145	160,339
Pension recovery cash contributions	(158,822)	(154,196)
Movements in working capital:		
Decrease/(increase) in stocks	1,470	(2,214)
(Increase)/decrease in debtors	66,548	(67,588)
Increase/(decrease) in creditors	(6,205)	(5,373)
Cash generated from operations	468,893	265,957

26 Analysis of changes in net funds/(debt)

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	935,586	(81,086)	854,500
Loans falling due within one year	(37,815)	9,825	(27,990)
Loans falling due after more than one year	(670,135)	286,401	(383,734)
	227,636	215,140	442,776

27 Related party transactions

There were no disclosable related party transactions during the year.

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	114,696	100,888

There number of employees whose remuneration is over £60,000 in the year was 1 (2022: nil).

THE LEADERS OF WORSHIP AND PREACHERS HOMES

England & Wales - Charity number 1112378

Accounts

Charity Registration No. 1112378

Company Registration No. 05467350 (England and Wales)

THE LEADERS OF WORSHIP AND PREACHERS HOMES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

THE LEADERS OF WORSHIP AND PREACHERS HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Hudson J Benfield C Braithwaite M Armitage J Chapman D J C Greet	 (Appointed 22 October 2022)
Secretary	AJ Needham	
Charity number	1112378	
Company number	05467350	
Registered office	1 Winton Avenue Westcliff on Sea Essex SS0 7QU	
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Herts WD4 8SZ	
Website	https://www.lwphomes.org.uk/	
Solicitors	Hunters 9 New Square London WC2A 3QN	

THE LEADERS OF WORSHIP AND PREACHERS HOMES

CONTENTS

	Page
Trustees' report	1 - 8
Independent auditor's report	9 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 32

THE LEADERS OF WORSHIP AND PREACHERS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Charitable objects
The objects of LWPHomes, supported by voluntary contributions, are to carry on, for the public benefit, the provision of housing and any associated amenities such as treatment, care, advice and advocacy, for those who require such provision on account of sickness, infirmity, or other charitable need, on terms appropriate to their means - Priority shall be given to those who:

(a) are involved in leading worship and/or preaching;
(b) are in training for, or retired from, the activities of leading worship and/or preaching;
(c) are the widows, widowers, parents, parents in law, children and other dependents of persons described in (a) and (b), provided that they are or have been part of a church organisation having objectives agreed by the trustees as being similar to those held by the Methodist Church and the Wesleyan Reform Union and the Local Ecumenical Partnerships that include Methodists.

The charity operates three homes at Westcliff-on-Sea in Essex, Minehead in Somerset and Woodhall Spa in Lincolnshire. The three homes are registered to provide residential care for a maximum of 78 residents. In addition, the charity operates ten self-contained flats and communal facilities providing supported living accommodation at Milborne Port, Somerset and two self-contained flats at Minehead.

Although restricted Methodist Local Preachers Mutual Aid Association (LPMA) funds currently held and managed by the Leaders of Worship and Preachers Trust can, and have historically, been applied to all aspects of LWPHomes business no grants were applied for during the year in question. During the year an additional £70,000 was donated by LPMA as a contribution towards the rectification of legal matters relating to the Pension Scheme discussed in the financial review on page 4. It is hoped that further grants will be received in future.

Aims of the charity
Providing those who want it with the opportunity to live their retirement in an actively Christian based community.

Objectives for the year
Following the impact of the global pandemic having become more part of normal life the charity's 5 objectives for the year were:

1. To take all necessary steps to safeguard the residents, staff and (when and where allowed) visitors at our sites from all potential risks including the Covid-19 virus.
2. To continue the work to reinforce relationships with the Methodist and Wesleyan Reform Union Church organisations and their individual churches to ensure that the charity's work can be carried out with a positive Christian care dimension.
3. Financial: Without prejudice to service standards, to maximise the scope for modest surplus from the 3 established homes and the flats on the Minehead and Gainsborough sites. To ensure that there is sufficient surplus from routine operations to provide for the potential development of the business model and capital / planned maintenance work.
4. To consider options for development of care services provided. with the focus on acquiring an additional home and considering options for additional independent living accommodation) consistent with the objects.
5. Care standards: Ongoing review all aspects of compliance with the care standards to benefit the residents and to meet the exacting requirements of Care Quality Commission.

Strategies for achieving objectives
The charity operates an LWPHomes specific website (www.lwphomes.org.uk) which places great emphasis on care matters and allows it to present itself in a more visible manner for potential clients who seek active Christian care. In the course of the year, the website was developed further to support governance and trustee recruitment and to provide an online portal of information about the (closed to new membership) MLPMAA pension scheme. The charity is a member of the NCVO to provide for trustee training and a wide range of other potential benefits. The charity also maintains enhanced listings on the www.carehomes.co.uk and www.carechoices.co.uk websites.

Statement on compliance with Charity Commission guidance on public benefit
When deciding on activities and events, LWPHomes' trustees pay due regard to the Charity Commission's guidance on public benefit as set out in section 17 of the Charities Act 2011 and the published advice of the Charity Commission.

Business of the Charity
The charity's aim is to provide those who want it with:

- The opportunity to live their retirement in an actively Christian based community by the provision of accommodation and subsistence.
- Physical and emotional security.
- A family environment (encourage the presence of relatives and maintain relationships with friends and the wider community although such opportunities have been necessarily severely restricted during the pandemic. Both residents and families have been very supportive of the actions taken in this respect).
- Christian community.
- A Christian lifestyle (e.g. Daily Devotions)
- Recreation- both physical and mental stimulation
- Healthcare- preventative, restorative and palliative.

The core standards for all aspects of the delivery of care are prescribed by legislation and regulated by the Care Quality Commission.

Significant activities
All of the homes maintain close contact and partnership with local churches and with a post pandemic new norm have started again to hold annual 'anniversary open days' and other events that enable visitors into the homes and also allow the residents to share in an additional area of social activity. Links with the Wesleyan Reform Union remain strong which helps LWPHomes to communicate with its members. Efforts have continued to ensure that LWPHomes is still seen as very much a part of the Methodist family but progress is lamentably slow and in some measure is dispiriting. Consultations with the Methodist Church continue in the hope that the Methodist Calendar will allow for a LWPH Sunday both to promote the charity's purpose and to foster the interest of friends and hopefully financial support through donations.

Use of volunteers
Each home arranges, when restrictions allow, social events within the home, outings, fund raising events. The pastoral support given to homes has been subject to comprehensive review with trustees taking on a closer role to support the homes' residents and staff. The reduction in the day-to-day impact of Covid-19 has meant such activities are starting to return to pre-pandemic norms.

Strategic report

Achievements and performance

Charitable achievements

LWPHomes monitors its performance by the health and happiness of its residents It is not unusual for residents to achieve their 100th birthday. Trustees of LWPHomes plan to make a minimum of one pastoral visit per annum to each home, and reports are made to the trustees for consideration at Board meetings. In the unlikely event of any concerns being raised, they are fully investigated by the Director of Care Services, the Executive Officer and Chairman of the Board of Trustees. As the threat from the pandemic reduces, we reiterate our thanks to our employees at the Homes who faced the challenges of the pandemic with justifiable confidence and can reflect on a job well done.

Fundraising achievements

Any fundraising activities that take place locally, such as the annual anniversary days mentioned above under 'significant activities', provide funds for additional social benefits for residents. They do not support mainstream expenditure.

Investment performance

The trustees have, as permitted under the Articles of Association, appointed professional investment managers to exercise their powers of investment. The trustees have the power to invest any sums not immediately needed. The investment policy is reviewed annually when Coutt's the investment manager reports on investment performance to the trustees.

LWPHomes pursues a policy of ethical investment. The fund managers are instructed to invest in investments that will maximise income returns within the ethical policy.

Major changes in the financial markets notwithstanding, the investment returns during the year have been satisfactory in the light of financial trends.

Financial review

A summary of the results for the year is shown on pages 13 to 16.

During the year under review LWPHomes had an operating surplus of £336,523. Within this total £160,339 related to depreciation of fixed assets. There were then losses on investment assets of £19,271 reducing the overall surplus to £317,252. The actuarial valuation of the closed defined benefit pension scheme showed a decrease in the deficit during the year of £636,000, largely due to changes in assumptions concerning discount and mortality rates adding to the agreed contributions by the employers. The charity continues to pay the agreed contributions to the scheme to reduce the deficit over time.

As reported last year, trustees were informed by the trustees of the Methodist Local Preachers Mutual Aid Association Pension Scheme of which LWPHomes is the 'Principal Employer' that the legal procedure undertaken in 2003 to cease accruals to the Members of the Scheme had been undertaken incorrectly. As Principal Employer LWPHomes is responsible for the administration of the scheme and therefore for the resolution of this issue. Formal consultations with Legal Counsel had taken place and the advice of Counsel and the pension lawyers engaged by the charity was to seek 'Rectification' from the courts in order to get formal legal confirmation of the intention of the procedure in 2003. This matter came to court in late 2022 and was resolved in favour of the Scheme. The Pension Scheme Trustees have since taken advice on the steps necessary to implement the changes necessary following the court decision.

No remuneration is generally payable to the trustees.

Reserves Policy

During the period the trustees considered what the reserve requirements were, in line with the Charity Commission guidelines. This covered setting a policy reflecting the wish to safely commit as much as possible to provide suitable support to beneficiaries.

It is the policy of the trustees to maintain unrestricted funds at a level to enable the charity to operate effectively. The trustees consider that the unrestricted reserves should ideally be maintained at a level equivalent to at least 3 months' running costs to enable an orderly wind down in the event of the charity's closure. This amount would currently be £639,000 (2021: £610,000).

Our total reserves are:	£3,263,582
Of which:	
Amount restricted to donor nominated purposes	£26,449
Amount capitalised in tangible fixed assets	£4,134,911
Amount required to fund pension deficit	(£1,456,000)
Amount allocated to capital reserve	£150,000
Amount available to meet current operations	£421,392

The current level of reserves is below the level that the trustees have set as an optimum level for LWPHomes to hold. Efforts are being made to increase the level of reserves from operational surpluses without compromising the level of care provided. In line with best practice, the reserves policy is reviewed annually.

Pandemic - Covid-19

The Covid-19 pandemic, which has impacted all walks of life in the UK from March 2020, had a much less severe impact on the work and routine of the charity throughout the year. The changes implemented in previous years in respect of policies and procedures for (such as) infection control have been reviewed constantly and refined where necessary so that all operations were fully prepared to meet the challenges as they presented themselves. A system of weekly reports was implemented to ensure trustees were fully briefed as to progress in the management of the care services in the face of the virus. This has now returned to a monthly cycle with interim reports when thought necessary. In practical terms, the employees responded well to the difficult conditions through the period of the pandemic and, as evidenced by the records, took all necessary steps to meet their responsibilities to 'keep safe' to ensure they were able to continue working. Since the worst impacts of the pandemic have declined, occupancy rates have gradually improved and they are now back to the target of 90% which was achieved consistently prior to the onset of the pandemic.

Principal sources of income and how expenditure meets objectives

The principal source of income is resident fees, mainly from 'self-financing' residents, although some residents are funded, in some cases partly, by local authorities. The local authorities visit the homes annually to ensure that the homes are meeting their terms and conditions in regard to care provision and to ensure our practices are monitored and reviewed in line with changes in the care sector.

Risk Management Review

The charity adopts a risk management review strategy that is an integral part of its Business Plan and relates directly to the risk management assessment made by the Pension Trustees. Trustees have reviewed the major risks to which the charity is exposed, which include damage to reputation, criminal acts, data loss, health and safety, and change to funding sources, and have established systems to mitigate those risks. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and project management to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are reviewed periodically to ensure that they meet the needs of the charity.

There have been no examples of fraud identified by the trustees during the period.

Plans for future periods

Capital spend over the last few years has brought the remaining three homes to a high standard of repair and development with a clear planned preventative maintenance strategy. This allows for future plans to focus on broadening the charity's care portfolio to include independent living accommodation. Consistent with its development plans, the charity intends to seek opportunities to purchase additional homes in areas consistent with the current portfolio.

The trustees continue to look at fundraising opportunities that will also publicise the homes, the excellent care that they offer and additional services the charity provides.

Structure, governance and management

The Company was incorporated as a company limited by guarantee on 31 May 2005 and as such has no share capital. It is governed by Articles of Association that were reviewed and updated in 2010 and subject to further review and amendment in 2014, 2018 and 2021.

The Company was registered as a charity on 2 December 2005 by the Charity Commission for England and Wales.

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. A list of the trustees is given on the Legal and Administration page to the financial statements. All of the trustees named on that page served during the year.

Trustees may serve a maximum of five terms of three years. A trustee who has completed five consecutive terms of office will not be eligible for reappointment until one year has elapsed since the end of his or her last term of office.

The Board of Trustees can consist of at least 3 and not more than twelve persons elected by the Members by ordinary resolution at an AGM. A person may not act as a trustee unless he or she:

- supports the Objects, is a Christian and has a dedication to promote Christian fellowship;
- agrees to also become a Member;
- is over the age of 18; and
- has signed a written declaration of willingness to act as a Member and as a trustee of the charity.

In October 2017 the historically close relationship between the charity and The Leaders of Worship and Preachers Trust came to an end. A key consequence is that the Board no longer has access to the mailing lists associated with the Ichthus magazine which hitherto has been the core medium for communication with friends and for the recruitment of new trustees. New lines of communication through the Methodist and Wesleyan Reform Union church organisations are being progressed to ensure that the charity is able to communicate effectively with its traditional supporters. Another consequence is that the charity is no longer able to enjoy the traditional mutual benefit of legacies and other donations made to LWPT.

New trustees are provided with copies of the Charity Commission leaflets CC3 & CC3a and are provided with training as required.

Policy decisions concerning the charity are made by the trustees as a whole. Specialist areas such as Finance and Investments are delegated to the Executive Officer and an external financial adviser appointed by the Board. Day to day administrative functions, such as resident contracts, local authority contracts, bookkeeping and payroll, are delegated to the Director of Care Services.

The charity enjoys excellent relationships with its main stakeholders within the Methodist and Wesleyan Reform Churches and meets their officers regularly to discuss matters of common interest.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Hudson	
J Benfield	
C Braithwaite	
J Hardy	(Resigned 17 March 2022)
M Armitage	
J Chapman	
D J C Greet	(Appointed 22 October 2022)

Statement of trustees' responsibilities

The trustees, who are also the directors of The Leaders of Worship and Preachers Homes for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution will be proposed at the forthcoming Annual General Meeting that Gowers Limited, Chartered Accountants, who were appointed during the financial year, be reappointed as auditors for the ensuing year.

Employee involvement and employment of the disabled

The trustees wish to record thanks to all the staff who have contributed to the success of the charity during the period under review.

The trustees are not aware of any staff members who are registered as disabled but have the necessary facilities to enable disabled people with the appropriate skills to work for the charity. Due recognition of the Disabilities Discrimination Act is exercised where staff members need assistance and support when returning from sick leave or are undergoing treatment whilst working.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

C Braithwaite
Trustee
Dated: 17 March 2023

THE LEADERS OF WORSHIP AND PREACHERS HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE LEADERS OF WORSHIP AND PREACHERS HOMES

Opinion

We have audited the financial statements of The Leaders of Worship and Preachers Homes (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 August 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

The charity is subject to laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011, employment legislation; health and safety legislation, the regulatory requirements of the Care Quality Commission.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

Audit response to risks identified
Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

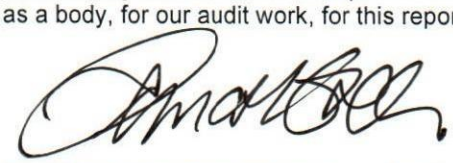
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



David M Green (Senior Statutory Auditor)
for and on behalf of Gowers Limited

17 March 2023

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Herts WD4 8SZ

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income from:						
Donations and	3	37,375	-	80,713	118,088	198,642
Charitable activities	4	2,718,170	-	33,780	2,751,950	2,423,509
Investments	5	1,485	-	49	1,534	6,891
Total income		2,757,030	-	114,542	2,871,572	2,629,042
Expenditure on:						
Raising funds	6	5,366	-	-	5,366	6,725
Charitable activities	7	2,388,571	-	114,112	2,529,683	2,354,516
Total resources		2,393,937	-	114,112	2,535,049	2,361,241
Net gains/(losses) on	11	(19,271)	-	-	(19,271)	48,888
Net incoming/(outgoing)		343,822	-	(26,570)	317,252	316,689
Gross transfers		(154,196)	154,196	-	-	(2,281)
Net incoming/(outgoing)		189,626	154,196	(26,570)	317,252	314,408
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit		-	481,804	-	481,804	90,000
Net movement in funds		189,626	636,000	(26,570)	799,056	404,408
Fund balances at 1		4,353,507	(1,942,000)	53,019	2,464,526	2,060,118
Fund balances at 31		4,543,133	(1,306,000)	26,449	3,263,582	2,464,526

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE LEADERS OF WORSHIP AND PREACHERS HOMES

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	12		4,134,911		4,232,121
Investments	13		431,590		450,861
			4,566,501		4,682,982
Current assets					
Stocks	14	7,925		5,711	
Debtors	15	80,835		13,247	
Cash at bank and in hand		935,586		659,516	
		1,024,346		678,474	
Creditors: amounts falling due within one year	17	(201,130)		(202,212)	
Net current assets			823,216		476,262
Total assets less current liabilities			5,389,717		5,159,244
Creditors: amounts falling due after more than one year	18		(670,135)		(602,718)
Provisions for liabilities			(1,456,000)		(2,092,000)
Net assets			3,263,582		2,464,526
Income funds					
Restricted funds	20		26,449		53,019
Unrestricted funds					
Designated funds	22	(1,306,000)		(1,942,000)	
General unrestricted funds		3,888,253		3,698,627	
Revaluation reserve		654,880		654,880	
			3,237,133		2,411,507
			3,263,582		2,464,526

The financial statements were approved by the Trustees on 17th March 2023

C Braithwaite
Trustee

J Benfield
Trustee

Jennifer M Benfield

Company Registration No. 05467350

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	**25**		265,957		226,475
Investing activities					
Purchase of tangible fixed assets		(63,129)		(116,500)	
Net proceeds on disposal of investments		-		(3,431)	
Investment income received		1,534		6,891	
Net cash (used in)/generated from investing activities			(61,595)		(113,040)
Financing activities					
Proceeds of new bank loans		104,026		162,963	
Repayment of bank loans		(32,318)		(26,721)	
Net cash generated from/(used in) financing activities			71,708		136,242
Net increase in cash and cash equivalents			276,070		249,677
Cash and cash equivalents at beginning of year			659,516		409,839
Cash and cash equivalents at end of year			935,586		659,516

1 Accounting policies

Charity information

The Leaders of Worship and Preachers Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Winton Avenue, Westcliff on Sea, Essex, SS0 7QU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). 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 £, except in note 19, where figures are given in multiples of £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

The charitable company does have a pension fund deficit of £1,456,000 at the year end. This is covered by the charitable company's fixed assets (net book value £4,134,911 at 31 August 2022). In addition, the charitable company has an agreed plan to pay off the deficit out of its annual income over a period approved by the pension scheme's trustees and actuary.

Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

The pension fund relates to a defined benefit pension scheme which ceased on 31 March 2003. This is shown separately due to its significance.

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

The financial statements include a restricted fund relating to rectification of the pension scheme as detailed in note 19.

1.4 Income

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

1 Accounting policies

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

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

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

1.6 Tangible fixed assets

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

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

Freehold land	Nil
Freehold buildings	over 10, 20 or 25 years as appropriate
Fixtures and Fittings	over 5 years

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

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies

1.12 Retirement benefits

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

Until 31 March 2003 Methodist Local Preachers Mutual Aid Association (MLPMAA) operated a pension scheme providing benefits based on final pensionable pay as principal employer, with LWPHomes (formerly Mutual Aid Homes) as a participating employer. The entire scheme was made paid up on 31 March 2003. The employers are committed to paying monthly contributions to fund the deficit. From 1 April to 31 March 2022 the commitment was £169,212 per annum and from 1 April 2022 this increased to £174,288 per annum, increasing by 3% pa on 1 April every year until 1 June 2032. LWPHomes are committed to fund 90% of this payment. As from 1 May 2004 LWPHomes became the principal employer of the pension scheme.

The current service cost of providing defined pension benefits in schemes operated by the charitable company is charged to salaries in the Statement of Financial Activities over the anticipated period of employment in accordance with recommendations made by independent qualified actuaries. The interest cost and the expected return on assets are shown as a net amount and reflected in the Statement of Financial Activities in a similar fashion. Actuarial gains and losses are recognised immediately within 'net actuarial gains and losses' on the face of the Statement of Financial Activities. A provision for the current defined benefit scheme pension fund deficit is made on the face of the balance sheet and the corresponding figure is shown as a separate component of the charitable company's restricted funds.

The amounts charged to the Statement of Financial Activities for defined contribution schemes represent the contributions payable to the schemes in respect of the period.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestri funds general 2022 £	**Restricted funds 2022 £**	**Total 2022 £**	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	37,375	80,713	118,088	34,923	11,254	46,177
Infection control and other grants	-	33,780	33,780	-	152,465	152,465
	37,375	114,493	151,868	34,923	163,719	198,642

4 Charitable activities

	Provision of care homes 2022 £	Provision of care homes 2021 £
Resident Fees - Local Authority funding	478,861	316,030
Resident Fees - Private funding	2,090,023	1,878,365
Respite Care	145,520	94,142
Ancillary trading income	3,766	134,972
	2,718,170	2,423,509

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	1,534	6,891

6 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Fundraising and publicity		
Publicity	2,160	2,070
Press advertising	856	562
Website costs	334	1,693
Fundraising and publicity	3,350	4,325
Investment management	2,016	2,400
	5,366	6,725

7 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	1,681,000	1,543,483
Depreciation and impairment	160,339	158,358
Operational costs	151,490	147,634
Pension rectification costs	81,227	54,203
Staff welfare	6,427	5,966
Recruitment costs	4,915	2,167
Staff training	4,580	1,935
Premises costs	94,686	103,955
Insurance	36,511	27,476
Repairs	71,298	46,325
Telephone	13,399	13,406
Board and committee expenses	1,437	529
Communication and computer costs	26,789	21,169
Maintenance contracts	51,660	55,403
Other charitable expenditure	55,437	42,596
	2,441,195	2,224,605
Share of governance costs (see note 8)	88,488	129,911
	2,529,683	2,354,516

7 Charitable activities

Analysis by fund

Unrestricted funds - general	2,388,571	2,168,246
Unrestricted funds - designated	-	200
Restricted funds	141,112	186,070
	2,529,683	2,354,516

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Audit and accountancy fees	-	9,604	9,604	-	10,173	10,173
Legal and professional fees	-	78,884	78,884	-	119,738	119,738
	-	88,488	88,418	-	129,911	129,911
Analysed between						
Charitable activities	-	88,488	88,418	-	129,911	129,911

Governance costs includes payments to the auditors of £9,604 VAT included (2021 - £7,704 VAT included) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Out of pocket expenses totalling £1,175 (2021 - £317) were reimbursed to 1 (2021 - 1) trustee in relation to travel costs.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Direct charitable work	76	81

Employment costs	2022	2021
	£	£
Wages and salaries	1,528,486	1,403,048
Social security costs	114,676	100,710
Other pension costs	37,838	39,725
	1,681,000	1,543,483

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds general 2022	Unrestricted funds general 2021
	£	£
Revaluation of investments	(19,271)	48,888

12 Tangible fixed assets

	Freehold Land and Buildings	Fixtures and Fittings	Total
	£	£	£
Cost or valuation			
At 1 September 2021	4,785,286	626,547	5,411,833
Additions	34,025	29,103	63,128
At 31 August 2022	4,819,311	655,560	5,474,961
Depreciation and impairment			
At 1 September 2021	587,697	592,015	1,179,712
Depreciation charged in the year	141,150	19,189	160,339
At 31 August 2021	728,847	611,204	1,340,051
Carrying amount			
At 31 August 2022	4,090,464	44,446	4,134,910
At 31 August 2021	4,197,589	34,532	4,232,121

Land and buildings with a carrying amount of £4,432,488 were revalued at 31 August 2016 by Roger Millthrop Consulting Limited, Chartered Surveyors not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The management believe the carrying value of today's date to be a fair reflection of the value as revalued by Roger Millthrop considering the additions and improvements made since that date.

12 Tangible fixed assets

At 31 August 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,435,574 (2021 - £3,542,709).

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2021	450,861
Valuation changes	(16,869)
Fees	(2,404)
At 31 August 2022	431,590
Carrying amount	
At 31 August 2022	431,590
At 31 August 2021	450,861

14 Stocks

	2022 £	2021 £
Consumables	7,925	5,711

15 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	74,802	12,990
Prepayments and accrued income	6,033	257
	80,835	13,247

16 Loans and overdrafts

	2022	2021
	£	£
Bank loans	707,950	636,242
Payable within one year	37,815	33,524
Payable after one year	670,135	602,718
Amounts included above which fall due after five years:		
Payable by instalments	497,519	256,933

One of the loans included above was fully repaid in January 2023 by the payment of a total of £299,309.

17 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	16	37,815	33,524
Other taxation and social security		25,190	26,389
Government grants		-	55,078
Trade creditors		74,237	114,753
Accruals and deferred income		63,888	24,189
		201,130	202,212

18 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans	16	670,135	602,718

Part of the long-term loan is secured by a fixed legal charge over Westerley Christian Care Home, The Broadway, Woodhall Spa, Lincolnshire, and part against Gainsborough House, Milborne Port, Sherborne .

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £37,838 (2021 - £39,725).

Defined benefit schemes (below)

19 Retirement benefit schemes (continued)

Key assumptions

	2022	2021
	%	%
Discount rate	3.97%	1.73%
Expected rate of increase of pensions in payment	3.19%	3.18%
RPI inflation rate	3.35%	3.34%
Pension increase in deferment	5.00%	5.00%

Mortality assumptions

The assumed life expectations on retirement at age 60 are:

	2022	2021
	Years	Years
Retiring today		
- Males	86.4	86.3
- Females	89.0	88.9
Retiring in 20 years		
- Males	87.5	87.5
- Females	90.2	90.1

Amounts recognised in the profit and loss account:

	2022	2021
	£	£
Net interest on defined benefit liability/(asset)	35,000	35,000

Amounts taken to other comprehensive income:

	2022	2021
	£	£
Actual return on scheme assets	1,323,000	(164,000)
Less: calculated interest element	76,000	66,000
Return on scheme assets excluding interest income	1,399,000	(98,000)
Actuarial changes related to obligations	(1,915,000)	(27,000)

19 Retirement benefit schemes

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2022	2021
	£	£
Present value of defined benefit obligations	4,525,000	6,471,000
Fair value of plan assets	(3,069,000)	(4,379,000)
Deficit in scheme	1,456,000	2,092,000

Movements in the present value of defined benefit obligations:

	2022
	£
Liabilities at 1 September 2021	6,471,000
Benefits paid	(142,000)
Actuarial gains and losses	(1,915,000)
Interest cost	111,000
At 31 August 2022	4,525,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2022
	£
Fair value of assets at 1 September 2021	4,379,000
Interest income	76,000
Return on plan assets (excluding amounts included in net interest)	(1,399,000)
Benefits paid	(142,000)
Contributions by the employer	155,000
At 31 August 2022	3,069,000

The fair value of plan assets at the reporting period end was as follows:

	2022	2021
	£	£
Equity instruments	1,118,000	1,393,000
Liability Driven Investments	1,472,000	2,340,000
Cash	11,000	46,000
Insured pensioners	468,000	600,000
	3,069,000	4,379,000

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Amenities- Grange	4,316	-	-	(4,316)	-
Amenities- Minehead	10,750	4,352	(4,352)	1,439	12,189
Amenities- Westcliff	2,635	2,555	(2,555)	1,438	4,073
Amenities- Woodhall Spa	8,768	3,855	(3,875)	1,439	10,187
LPMA	-	70,000	(70,000)	-	-
Other	-	-	-	-	-
Infection control	26,550	33,780	(60,330)	-	-
	53,019	114,542	(141,112)	-	26,449

The amenities relate to balances available to use for each individual care home.

LPMA represents funds provided, available and utilised for any pension rectification costs.

Infection control relates to grants received in relation to COVID-19, now fully expended.

21 Analysis of net assets between funds

	Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£
Fund balances at 31 August 2022 are represented by:				
Tangible assets	4,134,911	-	-	4,134,911
Investments	431,590	-	-	431,590
Current assets/(liabilities)	646,767	150,000	26,449	823,216
Long term liabilities	(670,135)	-	-	(670,135)
Provisions and Pensions	-	(1,456,000)	-	(1,456,000)
	4,543,133	(1,306,000)	26,449	3,263,582

	Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£
Fund balances at 31 August 2021 are represented by:				
Tangible assets	4,214,572	-	17,549	4,232,121
Investments	450,861	-	-	450,861
Current assets/(liabilities)	290,792	150,000	35,470	476,262
Long term liabilities	(602,718)	-	-	(602,718)
Provisions and Pensions	-	(2,092,000)	-	(2,092,000)
	4,353,507	(1,942,000)	53,019	2,464,526

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Capital reserve	150,000	-	-	-	150,000
Pension reserve	(2,092,000)	481,804	-	154,196	(1,456,000)
	(1,942,000)	481,804	-	154,196	(1,306,000)

The capital reserve fund was created to fund future capital works at the homes.

23 Financial commitments, guarantees and contingent liabilities

The trustees were informed during 2019 that the legal procedure undertaken in 2003, by the Principal Employer at the time - Methodist Local Preachers Mutual Aid Association, to cease accruals to the Methodist Local Preachers Mutual Aid Association Pension Scheme (of which LWPHomes is now the 'Principal Employer') had been undertaken incorrectly.

As Principal Employer LWPHomes is responsible for the administration of the scheme and therefore for the resolution of the issue.

Legal advice determined that the Amendment to the Rules of the Scheme made by the employers on 13th June 2003 purportedly to cease accrual of benefits from the Scheme on and from 1st April 2003, did not in fact operate to cease such accrual at that or any later date. In this case, then, benefits would have continued to accrue for anyone who was an active member at 1st April 2003 up to the point they left employment with the Principal or Participating Employers, or reached 65 if earlier.

Legal advice also confirmed that the intended amendment, to stop benefits accruing and to remove the link to final salary when calculating both deferred and already accrued benefits, was within the power of the Principal Employer at the time but the documents prepared at the time were deficient and did not have the meaning intended.

The Scheme has been operated by all the Principal and Participating Employers and the trustees of the Scheme since 2003 as if the amendment had been properly made.

The trustees had confirmed that as Principal Employer it was their intention to seek rectification from the Court. Counsel regarded the likelihood of success at more than 60% (2021: More than 60%). The total costs were estimated to be in the order of £350,000 (to be shared with The Leaders of Worship and Preachers Trust). The trustees' undertook a review of the case progress and costs on a monthly basis. No further provision has been included within these financial statements as the true liability was unknown until the case was heard in Court. The trustees continued to monitor their funding sources to pay for any liabilities when they fall due.

The case was heard in Court following the year end and the Court confirmed rectification was granted. No liability for pensions from 13 June 2003 will therefore arise.

24 Operating lease commitments

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	8,299	9,084
Between two and five years	17,864	14,273
Over five years	4,627	-
	30,790	23,357

25 Cash generated from operations

	2022	2021
Surplus for the year	317,252	314,408
Adjustments for:		
Investment income recognised in statement of financial activities	(1,534)	(6,891)
Fair value gains and losses on investments	19,271	(48,888)
Depreciation and impairment of tangible fixed assets	160,339	158,358
Pension recovery cash contributions	(154,196)	(144,000)
Movements in working capital:		
Decrease/(increase) in stocks	(2,214)	221
(Increase)/decrease in debtors	(67,588)	(6,186)
Increase/(decrease) in creditors	(5,373)	(40.547)
Cash generated from operations	265,957	226,475

26 Analysis of changes in net funds/(debt)

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	659,516	276,070	935,586
Loans falling due within one year	(33,524)	(4,291)	(37,815)
Loans falling due after more than one year	(602,718)	(67,417)	(670,135)
	23,274	204,362	227,636

27 Related party transactions

There were no disclosable related party transactions during the year.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	100,888	94,409

THE LEADERS OF WORSHIP AND PREACHERS HOMES

England & Wales - Charity number 1112378

Accounts

Charity Registration No. 1112378

Company Registration No. 05467350 (England and Wales)

THE LEADERS OF WORSHIP AND PREACHERS HOMES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

RickardLuckin

THE LEADERS OF WORSHIP AND PREACHERS HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Hudson	
	J Benfield	
	C Braithwalte	
	M Armitage	(Appointed 24 February 2021)
	J Chapman	(Appointed 2 March 2021)
Secretary	AJ Needham	
Charity number	1112378	
Company number	05467350	
Registered office	1 Wlnton Avenue Westcliff on Sea Essex SS0 7QU	
Auditor	Rickard Luckin Limited Phoenix House, Suite 8 Christopher Martin Road Basildon Essex SS14 3EZ	
Wobsite	https://www.lwphomes.org.uk/	
Solicitors	Hunters 9 New Square London WC2A 3QN	

THE LEADERS OF WORSHIP AND PREACHERS HOMES

CONTENTS

	Page
Trustees' report	1 - 8
Independent auditor's report	9 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 32

THE LEADERS OF WORSHIP AND PREACHERS HOMES

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Charitable objects
The objects of LWPHomes, supported by voluntary contributions, are to carry on, for the public benefit, the provision of housing and any associated amenities such as treatment, care, advice and advocacy, for those who require such provision on account of sickness, infirmity, or other charitable need, on terms appropriate to their means - Priority shall be given to those who:

(a) are involved in leading worship and/or preaching;
(b) are in training for, or retired from, the activities of leading worship and/or preaching;
(c) are the widows, widowers, parents, parents in law, children and other dependents of persons described in (a) and (b),provided that they are or have been part of a church organisation having objectives agreed by the trustees as being similar to those held by the Methodist Church and the Wesleyan Reform Union and the Local Ecumenical Partnerships that include Methodists.

The charity operates three homes at Westcliff-on-Sea in Essex, Minehead in Somerset and Woodhall Spa in Lincolnshire. The three homes are registered to provide residential care for a maximum of 78 residents. In addition the charity operates ten self-contained flats and communal facilities providing supported living accommodation at Milborne Port, Somerset and two self-contained flats at Minehead.

Although restricted Methodist Local Preachers Mutual Aid Association funds currently held and managed by LWPT can, and have historically, been applied to all aspects of LWPHomes business no grants were applied for or granted during the year in question. During the previous year £70,000 was donated by LPMA as a contribution towards the rectification of legal matters relating to the Pension Scheme discussed in the financial review on page 4. Following extensive discussions between the charities another grant of £70,000 has been received in the year commencing 1 September 2021 and it is hoped that further grants will be received in future.

Aims of the charity
Providing those who want it with the opportunity to live their retirement in an actively Christian based community.

Objectives for the year
Following the continuation of the global pandemic the charity's 6 objectives for the year were:

1. To take all necessary steps to safeguard the residents, staff and (when and where allowed) visitors at our sites in respect of the Covid-19 virus.
2. To continue the work to reinforce relationships with the Methodist and Wesleyan Reform Union Church organisations and their individual churches to ensure that the charity's work can be carried out with a positive Christian care dimension.
3. Financial: Without prejudice to service standards, to maximise the scope for modest surplus from the 3 established homes and to begin to see positive returns from the flats on the Minehead site and from the refurbishment of the Gainsborough site. To ensure that there is sufficient surplus from routine operations to provide for the potential development of the business model and capital / planned maintenance work.
4. To consider options for development of care services provided (eg care in the community, independent living accommodation) consistent with the objects.
5. Care standards: Ongoing review all aspects of compliance with the care standards to benefit the residents and to meet the exacting requirements of Care Quality Commission.

Strategies for achieving objectives
The charity operates an LWPHomes specific website (www.lwphomes.org.uk) which places great emphasis on care matters and allows it to present itself in a more visible manner for potential clients who seek active Christian care. In the course of the year, the website was developed further to support governance and trustee recruitment and to provide an online portal of information about the (closed to new membership) MLPMAA pension scheme. The charity is a member of the NCVO to provide for trustee training and a wide range of other potential benefits. The charity also maintains enhanced listings on the www.carehomes.co.uk and www.carechoices.co.uk websites.

Statement on compliance with Charity Commission guidance on public benefit
When deciding on activities and events, LWPHomes' trustees pay due regard to the Charity Commission's guidance on public benefit as set out in section 17 of the Charities Act 2011 and the published advice of the Charity Commission.

Business of the Charity
The charity's aim is to provide those who want it with:

- The opportunity to live their retirement in an actively Christian based community by the provision of accommodation and subsistence.
- Physical and emotional security.
- A family environment (encourage the presence of relatives and maintain relationships with friends and the wider community although such opportunities have been necessarily severely restricted during the pandemic. Both residents and families have been very supportive of the actions taken in this respect).
- Christian community.
- A Christian lifestyle (eg Daily Devotions)
- Recreation- both physical and mental stimulation
- Healthcare- preventative, restorative and palliative.

The core standards for the all aspects of the delivery of care are prescribed by legislation and regulated by the Care Quality Commission.

Significant activities

All of the homes maintain close contact and partnership with local churches and also, in a 'normal year' hold annual 'anniversary open days' that enable visitors into the homes and also allow the residents to share in an additional area of social activity. Links with the Wesleyan Reform Union have been strengthened which helps LWPHomes to communicate with its members. Efforts have continued to ensure that LWPHomes is still seen as very much a part of the Methodist family albeit communication improvement have continued to be hampered by the impositions caused by the pandemic That said some positive steps have been taken and it is hoped that these will be more fruitful in the coming year.

Use of volunteers

Each home arranges, when restrictions allow, social events within the home, outings, fund raising events. The pastoral support given to homes has been subject to comprehensive review with trustees taking on a closer role to support the homes' residents and staff. Sadly most of this support has been provided remotely over the past 18 months.

Strategic report

Achievements and performance

Charitable achievements

LWPHomes monitors its performance by the health and happiness of its residents It is not unusual for residents to achieve their 100th birthday In normal circumstances, Trustees of LWPHomes make a minimum of one pastoral visit per annum to each home, and reports are made to the trustees for consideration at Board meetings. In the unlikely event of any concerns being raised, they are fully investigated by the Director of Care Services, the Executive Officer and Chairman of the Board of Trustees. The employees at the Homes faced the challenges of the pandemic with aplomb – at year end all facilities had been covid free throughout which is testament to their efforts.

Fundraising achievements

Any fundraising activities that take place locally, such as the annual anniversary days mentioned above under 'significant activities', provide funds for additional social benefits for residents. They do not support mainstream expenditure.

Investment performance

The trustees have, as permitted under the Articles of Association, appointed professional investment managers to exercise their powers of investment. The trustees have the power to invest any sums not immediately needed.The investment strategy/policy was reviewed in 2010 when Coutts were appointed as the charity's investment managers. The policy is reviewed annually when the investment manager reports on investment performance to the trustees.

LWPHomes pursues a policy of ethical investment. The fund managers are instructed to invest in investments that will maximise income returns within the ethical policy.

Major changes in the financial markets notwithstanding, the investment returns during the year have been satisfactory in the light of financial trends.

Financial review
A summary of the results for the year is shown on pages 13 to 16.

During the year under review LWPHomes had an operating surplus of £268,877. Within this total £158,358 related to depreciation of fixed assets. There were then gains on investment assets of £48,888 increasing the overall surplus to £317,765. The actuarial valuation of the closed defined benefit pension scheme showed a decrease in the deficit during the year of £234,000, largely due to changes in assumptions concerning discount and mortality rates being offset by the agreed contributions by the employers. The charity continues to pay the agreed contributions to the scheme to reduce the deficit over time.

As reported last year, trustees were informed by the trustees of the Methodist Local Preachers Mutual Aid Association Pension Scheme of which LWPHomes is the 'Principal Employer' that the legal procedure undertaken in 2003 to cease accruals to the Members of the Scheme had been undertaken incorrectly. As Principal Employer LWPHomes is responsible for the administration of the scheme and therefore for the resolution of this issue. Formal consultations with Legal Counsel had taken place and the advice of Counsel and the pension lawyers engaged by the charity is to seek 'Rectification' from the courts in order to get formal legal confirmation of the intention of the procedure in 2003. Counsel regard the likelihood of success at more than 60%. Since that guidance was given a case has been through the courts that, in Counsel's opinion, increases the likelihood of success. The trustees accepted the legal advice / recommendations and, having identified the funds to meet the legal costs, as Principal Employer, LWPHomes has initiated the rectification process. The total cost, which will be shared by LWPT, has been estimated to be in the order of £350,000. During the year in question £54,203 and a further £53,708 from unrestricted funds had been spent. No provision for any future costs of this exercise has been made in these accounts.

No remuneration is generally payable to the trustees.

Reserves Policy
During the period the trustees considered what the reserve requirements were, in line with the Charity Commission guidelines. This covered setting a policy reflecting our wish to safely commit as much as possible to provide suitable support to beneficiaries.

It is the policy of the trustees to maintain unrestricted funds at a level to enable the charity to operate effectively. The trustees consider that the unrestricted reserves should ideally be maintained at a level equivalent to at least 3 months running and closure costs to enable an orderly wind down in the event of the charity's closure. This amount would currently be £610,000 (2020: £586,000).

Our total reserves are: £2,464,526

Of which:

Amount restricted to donor nominated purposes	£53,019
Amount capitalised in tangible fixed assets	£4,232,121
Amount required to fund pension deficit	(£2,092,000)
Amount allocated to capital reserve	£150,000
Amount available to meet current operations	£121,386

Our current level of reserves is below the level that the trustees have set as an optimum level for LWPHomes to hold. Efforts are being made to increase the level of reserves from operational surpluses without compromising the level of care provided. In line with best practice, the reserves policy will be reviewed annually.

Pandemic - Covid-19

The Covid-19 pandemic, which has impacted on all walks of life in the UK from March 2020, had a major impact on the work and routine of the charity throughout the year. It affected not only the elderly, the group at greatest risk from the virus, their families and friends but also those charged with their welfare. As noted last year, steps were taken to restrict visitors to the homes well ahead of any mandates by national government and these restrictions have only been lifted when it was considered safe to do so. The changes implemented last year in policies and procedures for (such as) infection control have been reviewed constantly and refined where necessary so that all operations were fully prepared to meet the challenges as they presented themselves. A system of weekly reports was implemented to ensure trustees were fully briefed as to progress in the management of the care services in the face of the virus. In practical terms, our employees have continued to respond well to the difficult conditions and, as evidenced by the records, took all necessary steps to meet their responsibilities to 'keep safe' to ensure they were able to continue working. Only in recent weeks, after the end of the year in question, did the Minehead home have the first cases experienced by the charity. There followed a particularly traumatic period for both residents and staff and there were sadly resident deaths. The staff coped with the disruption in their usual efficient, professional manner and at the time of writing this report there are no cases in any of the homes. The more general national situation and the associated adverse media comment about care homes has continued to have an adverse effect on resident recruitment with the outcome that our occupancy levels have often fallen below our target norm of 90% with a consequent reduction in fee revenue. However, there are some signs that this situation is improving. Steps have been taken throughout the year to reduce costs and to monitor occupancy / spend in closer to 'real time'. Clearly, a return to more normal times will be of great benefit but the trustees are confident that the charity has the necessary resilience to meet the ever changing financial and operational challenges.

Principal sources of income and how expenditure meets objectives

The principal source of income is resident fees, mainly from 'self-financing' residents, although some residents are funded by local authorities. The local authorities visit the homes annually to ensure that the homes are meeting their terms and conditions in regard to care provision and to ensure our practices are monitored and reviewed in line with changes in the care sector.

Risk Management Review

The charity adopts a risk management review strategy that is an integral part of its Business Plan and relates directly to the risk management assessment made by the Pension Trustees. Trustees have reviewed the major risks to which the charity is exposed, which include damage to reputation, criminal acts, data loss, health and safety, and change to funding sources, and have established systems to mitigate those risks. Internal risks are minimised by the implementation of procedures for the authorisation of all transactions and project management to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are reviewed periodically to ensure that they meet the needs of the charity.

There have been no examples of fraud identified by the trustees during the period.

Plans for future periods

Capital spend over the last few years has brought the remaining three homes to a high standard of repair and development with a clear planned preventative maintenance strategy. This allows for future plans to focus on broadening the charity's care portfolio to include care in the community and independent living accommodation. Consistent with its development plans, the charity intends to develop its care service provision in independent living and provision of care in the community.

The trustees continue to look at fundraising opportunities that will also publicise the homes, the excellent care that they offer and additional services the charity provides.

Structure, governance and management

The Company was incorporated as a company limited by guarantee on 31 May 2005 and as such has no share capital. It is governed by Articles of Association that were reviewed and updated in 2010 and subject to further review and amendment in 2014, 2018 and 2021.

The Company was registered as a charity on 2 December 2005 by the Charity Commission for England and Wales.

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are referred to as the trustees. A list of the trustees is given on the Legal and Administration page to the financial statements. All of the trustees named on that page served during the year.

Trustees may serve a maximum of five terms of three years. A trustee who has completed four consecutive terms of office will not be eligible for reappointment until one year has elapsed since the end of his or her last term of office.

The Board of Trustees can consist of at least 3 and not more than twelve persons elected by the Members by ordinary resolution at an AGM. A person may not act as a trustee unless he or she:

- supports the Objects, is a Christian and has a dedication to promote Christian fellowship;
- agrees to also become a Member;
- is over the age of 18; and
- has signed a written declaration of willingness to act as a Member and as a trustee of the charity.

In October 2017 the historically close relationship between the charity and The Leaders of Worship and Preachers Trust came to an end. A key consequence is that the Board no longer has access to the mailing lists associated with the Ichthus magazine which hitherto has been the core medium for communication with friends and for the recruitment of new trustees. New lines of communication through the Methodist and Wesleyan Reform Union church organisations are being progressed to ensure that the charity is able to communicate effectively with its traditional supporters. Another consequence is that the charity is no longer able to enjoy the traditional mutual benefit of legacies and other donations made to LWPT.

New trustees are provided with copies of the Charity Commission leaflets CC3 & CC3a and are provided with training as required.

Policy decisions concerning the charity are made by the trustees as a whole. Specialist areas such as Finance and Investments are delegated to the (trustee) Finance Director supported by the Executive Officer and an external financial adviser appointed by the Board. Day to day administrative functions, such as resident contracts, local authority contracts, bookkeeping and payroll, are delegated to the Director of Care Services.

The charity enjoys excellent relationships with its main stakeholders within the Methodist and Wesleyan Reform Churches and meets their officers regularly to discuss matters of common interest.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Hudson	
J Benfield	
C Braithwaite	
J Hardy	(Resigned 17 March 2022)
M Armitage	(Appointed 24 February 2021)
J Chapman	(Appointed 2 March 2021)

Statement of trustees' responsibilities

The trustees, who are also the directors of The Leaders of Worship and Preachers Homes for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution will be proposed at the forthcoming Annual General Meeting that Rickard Luckin Limited, Chartered Accountants, be reappointed as auditors for the ensuing year.

Employee involvement and employment of the disabled

The trustees wish to record thanks to all the staff who have contributed to the success of the charity during the period under review.

The trustees are not aware of any staff members who are registered as disabled but have the necessary facilities to enable disabled people with the appropriate skills to work for the charity. Due recognition of the Disabilities Discrimination Act is exercised where staff members need assistance and support when returning from sick leave or are undergoing treatment whilst working.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

D Hudson
Trustee
Dated: 18 March 2022

THE LEADERS OF WORSHIP AND PREACHERS HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE LEADERS OF WORSHIP AND PREACHERS HOMES

Opinion

We have audited the financial statements of The Leaders of Worship and Preachers Homes (the 'charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 August 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the charitable company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the charitable company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011, employment legislation; health and safety legislation; the regulatory requirements of the Charity Commission; GDPR; anti-bribery and corruption legislation.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: Income regulation and valuation of the defined pension scheme;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations and journal entries posted by senior management;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the Statement of Financial Activity (SoFA) and the Balance Sheet includes a number of items selected on a random basis;

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE LEADERS OF WORSHIP AND PREACHERS HOMES

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kate Bell (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

22nd March 2022

Chartered Accountants
Statutory Auditor

Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:						
Donations and legacies	3	34,923	-	163,719	198,642	106,143
Charitable activities	4	2,423,509	-	-	2,423,509	2,409,401
Investments	5	6,891	-	-	6,891	9,611
Total income		2,465,323	-	163,719	2,629,042	2,525,155
Expenditure on:						
Raising funds	6	6,725	-	-	6,725	7,631
Charitable activities	7	2,168,246	200	186,070	2,354,516	2,337,685
Total resources expended		2,174,971	200	186,070	2,361,241	2,345,316
Net gains/(losses) on investments	11	48,888	-	-	48,888	(5,886)
Net incoming/(outgoing) resources before transfers		339,240	(200)	(22,351)	316,689	173,953
Gross transfers between funds		(135,978)	142,841	(9,144)	(2,281)	-
Net incoming/(outgoing) resources		203,262	142,641	(31,495)	314,408	173,953
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes		-	90,000	-	90,000	(139,096)
Net movement in funds		203,262	232,641	(31,495)	404,408	34,857
Fund balances at 1 September 2020		4,150,245	(2,174,641)	84,514	2,060,118	2,025,261
Fund balances at 31 August 2021		4,353,507	(1,942,000)	53,019	2,464,526	2,060,118

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE LEADERS OF WORSHIP AND PREACHERS HOMES

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**12**		4,232,121		4,273,979
Investments	**13**		450,861		398,542
			4,682,982		4,672,521
Current assets					
Stocks	**14**	5,711		5,932	
Debtors	**15**	13,247		7,061	
Cash at bank and in hand		659,516		409,839	
		678,474		422,832	
Creditors: amounts falling due within one year	**17**	(202,212)		(236,452)	
Net current assets			476,262		186,380
Total assets less current liabilities			5,159,244		4,858,901
Creditors: amounts falling due after more than one year	**18**		(602,718)		(472,783)
Provisions for liabilities			(2,092,000)		(2,326,000)
Net assets			2,464,526		2,060,118
Income funds					
Restricted funds	**20**		53,019		84,514
Unrestricted funds					
Designated funds	**22**	(1,942,000)		(2,174,641)	
General unrestricted funds		3,698,627		3,495,365	
Revaluation reserve		654,880		654,880	
			2,411,507		1,975,605
			2,464,526		2,060,118

The financial statements were approved by the Trustees on 18 March 2022

D Hudson
Trustee

J Benfield
Trustee

Company Registration No. 05467350

THE LEADERS OF WORSHIP AND PREACHERS HOMES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	25		226,475		280,318
Investing activities					
Purchase of tangible fixed assets		(116,500)		(6,671)	
Net proceeds on disposal of investments		(3,431)		6,313	
Investment income received		6,891		9,611	
Net cash (used in)/generated from investing activities			(113,040)		9,253
Financing activities					
Proceeds of new bank loans		162,963		-	
Repayment of bank loans		(26,721)		-	
Net cash generated from/(used in) financing activities			136,242		-
Net increase in cash and cash equivalents			249,677		289,571
Cash and cash equivalents at beginning of year			409,839		120,268
Cash and cash equivalents at end of year			659,516		409,839

1 Accounting policies

Charity information

The Leaders of Worship and Preachers Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is 1 Winton Avenue, Westcliff on Sea, Essex, SS0 7QU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

The charitable company does have a pension fund deficit of £2,091,000 at the year end. This is covered by the charitable company's fixed assets (net book value £4,121,148 at 31 August 2021). In addition, the charitable company has an agreed plan to pay off the deficit out of its annual income over a period approved by the pension scheme's trustees and actuary.

Thus, the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

The pension fund relates to a defined benefit pension scheme which ceased on 31 March 2003. This is shown separately due to its significance.

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

The financial statements include a restricted fund relating to rectification of the pension scheme as detailed in note 19.

1.4 Income

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

1 Accounting policies **(Continued)**

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

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

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

1.6 Tangible fixed assets

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

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

Freehold Land and Buildings	Nil
Fixtures and Fittings	over 5 years

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

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 **Accounting policies** **(Continued)**

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.12 Retirement benefits

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

Until 31 March 2003 Methodist Local Preachers Mutual Aid Association (MLPMAA) operated a pension scheme providing benefits based on final pensionable pay as principal employer, with LWPHomes (formerly Mutual Aid Homes) as a participating employer. The entire scheme was made paid up on 31 March 2003. The employers are committed to paying monthly contributions to fund the deficit. From 1 April 2020 to 31 March 2021 this amounted to £153,828 per annum. From 1 April to 31 March 2022 the commitment was £169,212 per annum and from 1 April 2022 this will increase to £174,288 per annum, increasing by 3% pa on 1 April every year until 1 June 2032. LWPHomes are committed to fund 90% of this payment. As from 1 May 2004 LWPHomes became the principal employer of the pension scheme.

The current service cost of providing defined pension benefits in schemes operated by the charitable company is charged to salaries in the Statement of Financial Activities over the anticipated period of employment in accordance with recommendations made by independent qualified actuaries. The interest cost and the expected return on assets are shown as a net amount and reflected in the Statement of Financial Activities in a similar fashion. Actuarial gains and losses are recognised immediately within 'net actuarial gains and losses' on the face of the Statement of Financial Activities. A provision for the current defined benefit scheme pension fund deficit is made on the face of the balance sheet and the corresponding figure is shown as a separate component of the charitable company's restricted funds.

The amounts charged to the Statement of Financial Activities for defined contribution schemes represent the contributions payable to the schemes in respect of the period.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Donations and gifts	34,923	11,254	46,177	22,843	74,701	97,544
Infection control and other grants	-	152,465	152,465	7,514	-	7,514
Other	-	-	-	1,085	-	1,085
	34,923	163,719	198,642	31,442	74,701	106,143

4 Charitable activities

	Provision of care homes 2021 £	Provision of care homes 2020 £
Resident Fees - Local Authority funding	316,030	288,999
Resident Fees - Private funding	1,878,365	2,005,154
Respite Care	94,142	42,667
Ancillary trading income	134,972	72,581
	2,423,509	2,409,401

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £
Interest receivable	6,891	9,527	84	9,611

6 Raising funds

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Fundraising and publicity		
Publicity	2,070	1,980
Press advertising	562	2,059
Website costs	1,693	938
Fundraising and publicity	4,325	4,977
Investment management	2,400	2,654
	6,725	7,631

7 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Staff costs	1,543,483	1,578,663
Depreciation and impairment	158,358	161,363
Operational costs	147,634	155,523
Pension rectification costs	54,203	15,797
Staff welfare	5,966	6,607
Recruitment costs	2,167	1,973
Staff training	1,935	3,464
Premises costs	103,955	74,174
Insurance	27,476	21,093
Repairs	46,325	47,366
Telephone	13,406	13,696
Board and committee expenses	529	1,553
Communication and computer costs	21,169	19,981
Maintenance contracts	55,403	48,042
Other charitable expenditure	42,596	44,087
	2,224,605	2,193,382
Share of governance costs (see note 8)	129,911	144,303
	2,354,516	2,337,685

7 Charitable activities **(Continued)**

Analysis by fund		
Unrestricted funds - general	2,168,246	2,316,457
Unrestricted funds - designated	200	-
Restricted funds	186,070	21,228
	2,354,516	2,337,685

8 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Audit and accountancy fees	-	10,173	10,173	-	9,891	9,891
Legal and professional fees	-	119,738	119,738	-	134,412	134,412
	-	129,911	129,911	-	144,303	144,303
Analysed between Charitable activities	-	129,911	129,911	-	144,303	144,303

Governance costs includes payments to the auditors of £7,704 VAT included (2020- £6,540 VAT included) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Out of pocket expenses totalling £317 (2020 - £1,000) were reimbursed to 1 (2020 - 4) trustees in relation to travel costs.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Direct charitable work	81	81

Employment costs	2021 £	2020 £
Wages and salaries	1,403,048	1,436,753

10 Employees (Continued)

Social security costs	100,710	98,681
Other pension costs	39,725	43,229
	1,543,483	1,578,663

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Revaluation of investments	48,888	(5,886)

12 Tangible fixed assets

	Freehold Land and Buildings £	Fixtures and Fittings £	Total £
Cost or valuation			
At 1 September 2020	4,690,658	604,675	5,295,333
Additions	94,628	21,872	116,500
At 31 August 2021	4,785,286	626,547	5,411,833
Depreciation and impairment			
At 1 September 2020	449,811	571,543	1,021,354
Depreciation charged in the year	137,886	20,472	158,358
At 31 August 2021	587,697	592,015	1,179,712
Carrying amount			
At 31 August 2021	4,197,589	34,532	4,232,121
At 31 August 2020	4,240,847	33,132	4,273,979

Land and buildings with a carrying amount of £4,432,488 were revalued at 31 August 2016 by Roger Millthrop Consulting Limited, Chartered Surveyors not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The management believe the carrying value of todays date to be a fair reflection of the value as revalued by Roger Millthrop considering the additions and improvements made since that date.

12 Tangible fixed assets **(Continued)**

At 31 August 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,437,673 (2020 - £3,484,980).

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2020	398,542
Valuation changes	54,719
Fees	(2,400)
At 31 August 2021	450,861
Carrying amount	
At 31 August 2021	450,861
At 31 August 2020	398,542

14 Stocks

	2021 £	2020 £
Finished consumables and goods for resale	5,711	5,932

15 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	12,990	6,642
Prepayments and accrued income	257	419
	13,247	7,061

16 Loans and overdrafts

	2021	2020
	£	£
Bank loans	636,242	500,000
Payable within one year	33,524	27,217
Payable after one year	602,718	472,783
Amounts included above which fall due after five years:		
Payable by instalments	256,933	352,399

17 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans	16	33,524	27,217
Other taxation and social security		26,389	23,943
Government grants		3,357	55,078
Trade creditors		114,753	96,015
Accruals and deferred income		24,189	34,199
		202,212	236,452

18 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Bank loans	16	602,718	472,783

Part of the long-term loan is secured by a fixed legal charge over Westerley Christian Care Home, The Broadway, Woodhall Spa, Lincolnshire.

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.
The last comprehensive actuarial valuation was undertaken for the year ended 31 August 2021.

The charge to profit or loss in respect of defined contribution schemes was £39,725 (2020 - £43,229).

Defined benefit schemes

19 Retirement benefit schemes **(Continued)**

Key assumptions

	2021	2020
	%	%
Discount rate	1.73%	1.57% p.a
Expected rate of increase of pensions in payment	3.18%	2.87% p.a
RPI inflation rate	3.34%	2.95% p.a
Pension increase in deferment	5.0%	5.0% p.a

Mortality assumptions

The assumed life expectations on retirement at age 60 are:

	2021	2020
	Years	Years
Retiring today		
- Males	86.3	86.0
- Females	88.9	88.1
Retiring in 20 years		
- Males	87.5	87.2
- Females	90.1	89.4

Amounts recognised in the profit and loss account:

	2021	2020
	£	£
Net interest on defined benefit liability/(asset)	35,000	41,000

Amounts taken to other comprehensive income:

	2021	2020
	£	£
Actual return on scheme assets	(164,000)	(201,000)
Less: calculated interest element	66,000	73,000
Return on scheme assets excluding interest income	(98,000)	(128,000)
Actuarial changes related to obligations	(27,000)	227,000

19 Retirement benefit schemes **(Continued)**

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2021	2020
	£	£
Present value of defined benefit obligations	6,471,000	6,521,000
Fair value of plan assets	(4,379,000)	(4,195,000)
Deficit in scheme	2,092,000	2,326,000

Movements in the present value of defined benefit obligations:

	2021
	£
Liabilities at 1 September 2020	6,521,000
Benefits paid	(124,000)
Actuarial gains and losses	(27,000)
Interest cost	101,000
At 31 August 2021	6,471,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2021
	£
Fair value of assets at 1 September 2020	4,195,000
Interest income	66,000
Return on plan assets (excluding amounts included in net interest)	98,000
Benefits paid	(124,000)
Contributions by the employer	144,000
At 31 August 2021	4,379,000

The fair value of plan assets at the reporting period end was as follows:

	2021	2020
	£	£
Equity instruments	1,393,000	1,163,000
Liability Driven Investments	2,340,000	2,332,000
Cash	46,000	40,000
Insured pensioners	600,000	660,000
	4,379,000	4,195,000

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 31 August 2021
	£	£	£	£	£
Amenities- Grange	4,316	-	-	-	4,316
Amenities- Minehead	8,032	2,708	(1,084)	1,094	10,750
Amenities- Westcliff	2,606	274	2,489	(2,734)	2,635
Amenities- Woodhall Spa	8,091	1,409	(7,978)	7,246	8,768
LPMA	54,203	-	(54,203)	-	-
Other	7,266	6,863	619	(14,748)	-
Infection control	-	152,465	(125,915)	-	26,550
	84,514	163,719	(186,072)	(9,142)	53,019

The amenities relate to balances available to use for each individual care home.

LPMA are the funds available for any pension rectification costs.

Infection control relates to grants received in relation to COVID-19.

21 Analysis of net assets between funds

	Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£
Fund balances at 31 August 2021 are represented by:				
Tangible assets	4,214,572	-	17,549	4,232,121
Investments	450,861	-	-	450,861
Current assets/(liabilities)	290,792	150,000	35,470	476,262
Long term liabilities	(602,718)	-	-	(602,718)
Provisions and Pensions	-	(2,092,000)	-	(2,092,000)
	4,353,507	(1,942,000)	53,019	2,464,526

	Unrestricted funds 2020	Designated funds 2020	Restricted funds 2020	Total 2020
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Tangible assets	4,122,620	151,359	-	4,273,979
Investments	398,542	-	-	398,542
Current assets/(liabilities)	57,457	-	84,513	186,380
Long term liabilities	(472,783)	-	-	(472,783)
Provisions and Pensions	-	(2,326,000)	-	(2,326,000)
	4,105,836	(2,174,641)	84,513	2,060,118

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 31 August 2021
	£	£	£	£	£
Capital reserve	151,359	-	(200)	(1,159)	150,000
Pension reserve	(2,326,000)	90,000	-	144,000	(2,092,000)
	(2,174,641)	90,000	(200)	142,841	(1,942,000)

The capital reserve fund was created to fund future capital works at the home.

23 Financial commitments, guarantees and contingent liabilities

As noted in the Trustees' Report, the trustees were informed during 2019 that the legal procedure undertaken in 2003, by the Principal Employer at the time - Methodist Local Preachers Mutual Aid Association, to cease accruals to the Methodist Local Preachers Mutual Aid Association Pension Scheme (of which LWPHomes is now the 'Principal Employer') had been undertaken incorrectly.

As Principal Employer LWPHomes is responsible for the administration of the scheme and therefore for the resolution of the issue.

Legal advice has determined that the Amendment to the Rules of the Scheme made by the employers on 13th June 2003 purportedly to cease accrual of benefits from the Scheme on and from 1st April 2003, did not in fact operate to cease such accrual at that or any later date. In this case, then, benefits will have continued to accrue for anyone who was an active member at 1st April 2003 up to the point they left employment with the Principal or Participating Employers, or reached 65 if earlier.

Legal advice also confirms that the intended amendment, to stop benefits accruing and to remove the link to final salary when calculating both deferred and already accrued benefits, was within the power of the Principal Employer at the time but the documents prepared at the time were deficient and did not have the meaning intended.

The Scheme has been operated by all the Principal and Participating Employers and the trustees of the Scheme since 2003 as if the amendment had been properly made.

The trustees have confirmed that as Principal Employer it is their intention to seek rectification from the Court. Counsel regard the likelihood of success at more than 60% (2020: More than 60%). The total costs has been estimated to be in the order of £350,000 (to be shared with The Leaders of Worship and Preachers Trust). The trustees' undertake a review of the case progress and costs on a monthly basis. No further provision has been included within these financial statements as the true liability is unknown until the case progresses further. The trustees continue to monitor their funding sources to pay for any liabilities when they fall due.

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	9,084	9,622
Between two and five years	14,273	8,102
	23,357	17,724

25 Cash generated from operations

	2021	2020
	£	£
Surplus for the year	314,408	173,953
Adjustments for:		
Investment income recognised in statement of financial activities	(6,891)	(9,611)
Fair value gains and losses on investments	(48,888)	5,886
Depreciation and impairment of tangible fixed assets	158,358	161,363
Difference between pension charge and cash contributions	(144,000)	(136,096)
Movements in working capital:		
Decrease/(increase) in stocks	221	(1,085)
(Increase)/decrease in debtors	(6,186)	51,285
Increase/(decrease) in creditors	11,174	(20,455)
(Decrease)/increase in deferred income	(51,721)	55,078
Cash generated from operations	226,475	280,318

26 Analysis of changes in net funds/(debt)

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	409,839	249,677	659,516
Loans falling due within one year	(27,217)	(6,307)	(33,524)
Loans falling due after more than one year	(472,783)	(129,935)	(602,718)
	(90,161)	113,435	23,274

27 Related party transactions

There were no disclosable related party transactions during the year.

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	94,409	88,634