LILIAN FAITHFULL CARE

England & Wales · Charity number 1122183

Details

Other names	LILIAN FAITHFULL HOMES
Status	Registered
Legal form	Charitable company
Company number	06461263
Registered	2008-01-04
Register	View on the Charity Commission register

Contact

Address	Lillian Faithfull Homes Faithfull House Suffolk Square Cheltenham Gloucestershire GL50 2DT
Phone	01242500414
Email	mailbox@lilianfaithfull.co.uk
Website	www.lilianfaithfull.co.uk

Activities

Objects: 3. THE CHARITY'S OBJECTS (THE OBJECTS) ARE TO RELIEVE ELDERLY PERSONS IN NECESSITOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS, AND TO PROVIDE FOR AGED PERSONS IN NEED THEREOF, ACCOMMODATION AND ANY ASSOCIATED AMENITIES SPECIFICALLY DESIGNED OR ADAPTED TO MEET THE DISABILITIES AND REQUIREMENTS OF SUCH PERSONS.

Activities: Lilian Faithfull Care is a registered charity providing person-centred care to older people across 6 residential homes in Gloucestershire.

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Classification

- **How:** Provides Services
- **What:** Other Charitable Purposes
- **Who:** Elderly/old People

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE: LOCALLY IN GLOUCESTERSHIRE.
- Gloucestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£18,233,105	£18,982,574	£8,638,630	495
2024-03-31	£19,654,338	£21,057,668	£9,386,234	430
2022-12-31	£13,822,786	£13,293,849	£10,727,630	388
2021-12-31	£12,056,631	£11,661,375	£10,266,350	410
2020-12-31	£11,620,916	£11,245,997	£9,863,505	434

Trustees

Name	Role	Appointed
Adam Greg Watts		2023-06-12
Dame Janet Trotter DBE CVO		2019-06-12
Emma Jane Morgan Morgan		2023-05-18
Laura Williams		2025-05-23
Lucie Rebecca Eden		2025-01-01
Martyn Smith		2018-08-08
Philip Pratt		2019-06-12
Sandra Elizabeth Harding		2023-01-04

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LILIAN FAITHFULL CARE

England & Wales - Charity number 1122183

Accounts

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Registered Charity No: **1122183**
Company Number: **06461263**

LILIAN FAITHFULL CARE

TRUSTEES REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2025

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LILIAN FAITHFULL CARE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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LILIAN FAITHFULL CARE
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2025

Name of Charity	Lilian Faithfull Care
Charity Number	1122183
Company Registration Number	06461263
Registered Office	Ground Floor West Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Principal Office	Faithfull House Suffolk square Cheltenham Gloucestershire GL50 2DT
Trustees	Fiona Spencer, Chair Alan Bishop Fiona Court Lucie Eden (Appointed 1 January 2025) Sandra Harding Gareth Parry (Retired 20 December 2024) Phillip Pratt Martyn Smith Emma Morgan Eve Russell Dame Janet Trotter Adam Watts Laura Williams (Appointed 23 May 2025)
Company Secretary	Martin Wood
Chief Executive	Kevin Snowball
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham Gloucestershire GL50 3AT
Bankers	Barclays Bank PLC 128 High Street Cheltenham Gloucestershire GL50 1EL
Solicitors	BPE St James House St James Square Cheltenham Gloucestershire GL50 3PR
Investment Managers	atomos One Temple Quay 1 Temple Back East Bristol BS1 6DZ

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The Trustees of Lilian Faithfull Care present their Annual Report for the 12-month period ended 31 March 2025 ("FP2025") in accordance with FRS 102, the Charities SORP (FRS 102), the Companies Act 2006, the Charities Act 2011 and the Care Quality Commission. The Trustees are also approving the Strategic Report in their capacity as company directors.

OBJECTIVES AND ACTIVITIES

Our Aim and Public Benefit

The Trustees of Lilian Faithfull Care have the ultimate responsibility for the wellbeing of the Charity; they also set the tone for the way the Charity presents and conducts itself.

Our Charity's aim, as set out in the objects contained in the Charity's Memorandum and Articles of Association, is "to relieve elderly persons in necessitous circumstances upon terms appropriate to their means, and to provide for aged persons in need thereof, accommodation and any associated amenities specifically designed or adapted to meet the disabilities and requirements of such persons".

Our public benefit can therefore be summarised as to provide a safe, friendly and supportive environment for older people at our day centres and residential and nursing homes, across the County of Gloucestershire.

Under company law the Directors of the Company acting as Trustees should ensure that the Charity offers an appropriate range and quality of care for older people in accordance with the Company's Memorandum & Articles of Association. The Trustees must also ensure that resources are utilised in accordance with any legal obligations laid down by statute, HMRC, other Government agencies, Companies House and the Charity Commission.

Everyone who works for the Charity has a responsibility to be mindful of the great legacy Lilian Faithfull entrusted to us to steward for our successors.

Ensuring Our Work Delivers Our Aim

We review our aim, objectives and activities regularly looking at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aim and objectives they have set.

Strategic Objectives

Our 2022 - 2026 strategic pillars are as follows:

- Providing high quality care services to residents and guests
- Attracting, retaining and developing competent and compassionate staff.
- Working collaboratively with families, health professionals and community / business partners.
- Ensuring we manage and develop the estate to meet the changing needs of our beneficiaries.
- Managing our finances and operations effectively and prudently.
- Achieving the highest standards of corporate governance and communication.
- Building on research and evidence to support innovation and change.

We undertook a strategy review to reassess the medium and longer-term direction for the Charity and began to implement a 2 -year enabling plan in January 2025.

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ACHIEVEMENTS AND PERFORMANCE

For FP2025 the strategic pillars translated to the following key objectives with their outcomes and actions:

Providing high quality care services to residents and guests

In response to increasing evidence of families struggling to navigate their way around the care system LFC introduced the role of a Customer Relationship Manager to help families to understand their options and find the most suitable care facilities to meet their needs. This role also supports the hospital discharge teams at the NHS and local authority by carrying out care needs assessments and expediting quicker discharges from hospital.

In October LFC started a pilot project with Gloucestershire ICB to provide block beds for patients medically fit for discharge from hospital but unable to return home. We provide reablement beds at Faithfull House which involves supporting patients with up to six weeks of physiotherapy and rehabilitation support to enable them to regain independence so that they can return home.

Ensure all our homes continue to be CQC compliant

Our homes were inspected under the Care Quality Commission's Infection Protection Team and all five homes received positive feedback.

Our target is for all six homes to be rated "Good" by our CQC regulator. We achieved the target for five of our homes, however, in March 2023, the CQC downgraded Astell House to "Requires Improvement". We have submitted to the CQC a report on the actions we have taken and are waiting for a re-inspection date. We have had a subsequent inspection from Gloucestershire County Council which gave good feedback and are waiting for a reinspection date from CQC.

Lilian Faithfull appoints an external CQC Inspector to conduct appropriate mock CQC inspections in all of our homes to ensure we monitor and maintain standards and employs a internal audit and compliance team who support the homes to ensure best practice.

Managing our finances and operations effectively and prudently

To achieve occupancy levels of at least 88%

Overall occupancy for the year was 84%. This was below our target and was impacted in the early part of the year through closure of a floor at St Faith's due to refurbishment.

Occupancy was very high at the end of the calendar year exceeding pre covid levels in all homes.

There was a noticeable increase in requests for respite care with many families using the break as a 'try before you buy' exercise, which resulted in many respite stays progressing to permanent residencies.

We liaised extensively with our partners in the NHS and local authority to help the wider health and care system wherever we could.

Generating a reasonable surplus to enable re-investment in the Charity and its staff

Significant cost increases in the year combined with lower than forecasted income from reduced occupancy meant that we did not generate a surplus in this period.

The national minimum wage increase of almost 10%, food inflation and other cost increases were again not matched by Local Authority fee rate increases

Attracting, retaining and developing competent and compassionate staff

LFC ended the period with 492 staff following a concerted effort to focus on values based recruitment and staff development resulting in greater retention levels. Staff engagement was enhanced with the appointment of a Staff Forum, representing all areas of the charity.

Long service and training achievement recognition events were introduced and well received.

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People, Development and Training:

In FP2025 we continued to expand our programme with the University of Gloucestershire offering placements to degree students on healthcare courses. For the first time we welcomed paramedic students on placement in addition to nurses and physiotherapy students. Students work alongside our staff who are trained as mentors and the partnership continues to enrich the life of the homes and develop the next generation of health and care professionals.

Through continuous investment in training, we now have many colleagues with NVQ qualifications and a cohort of qualified Nursing Associates. We have a clearly defined progression matrix communicated to all staff; we promote succession planning and look at restructuring where needed as the Charity grows.

We were particularly proud to appoint another home grown Home Manager in September who had developed her career at Lilian Faithfull after starting as a Care Assistant ten years previously.

We continue to benchmark wages and benefits to compete with market trends using the NCF pay survey data Recruitment within the sector continues to be a challenge with competition from NHS and retail and hospitality exacerbated by the high and we are pleased that our staff turnover rate is below the sector average. We continue to sponsor overseas colleagues via the Health and Social Care visa scheme and are benefitting from their expertise.

Increasing our profile:

Through events and promoting our charitable work we continue to build awareness of our Charity in the County. During the year LFC have introduced Dementia cafes, Dementia Cheese and Wine evenings and a Dementia Choir which have been well received and well supported

We are well represented on external bodies such as the Gloucestershire Care Providers Association (GCPA) and the National Care Forum (NCF) and have been invited to pilot a number of initiatives and projects within the integrated care system.

We are well respected by local commissioning teams and have been invited to join the county wide Dementia Training service to share our expertise.

Working collaboratively with community / business partners:

Our families of guests who attend the Secret Garden Day Centres have found this facility a safe space where they can share their stories and develop techniques in caring for their loved ones on their dementia journey.

In collaboration with Engaged Now we have established a safe, warm space, open one afternoon a week, where people within the Stroud community can come and meet others to assist with combatting loneliness.

Growth and Development - Explore the opportunity to grow the Charity through developing new services:

Following the acquisition of Bay Tree Court in 2023, we have been developing the range of services which from Independent Living apartments to respite, dementia care and residential care and introduced the Secret Garden Day Hub in September. It is an important part of the community in Prestbury and provides a wide range of day care services and activities.

Properties and services - ensuring they are always fit for purpose:

We continued to invest in upgrades to our properties and completed a number of notable projects in the course of the year.

At St Faith's we rebuilt the top floor dining room and refurbished the lifts, which required the temporary closure of the top floor.

At Royal Court we developed two new dementia wings, to create community living for groups of 6 residents with access to their own communal and dementia-friendly outdoor spaces.

At newly acquired Bay Tree Court we upgraded several bathrooms to wetrooms and created a new secure dementia-friendly garden.

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Lilian Faithfull Care offers a range of expert dementia care services and at The Secret Garden Day Centre in the grounds of Faithfull House we offer a peaceful location for people living with dementia to spend the day enjoying activities from quizzes, gardening, crafts, dancing and listening to live music and visiting local coffee shops. In response to local requests, we have created a new group aimed specifically at younger people living with early onset dementia, typically aged 40 to 65-years so that they can meet with people their own age.

Investing in technology-enabled care:

Building on the implementation of Digital Social Care Records by during FP2024 and transitioning from paper based to a digital social care record system we rolled out electronic medication management to all of our homes. In April, LFC then commissioned an external review of our entire IT system architecture. The outcome is that we are in the process of implementing a programme of replacing all applications with Cloud based systems and upgrading our infrastructure and connectivity to be able to maximise the opportunities presented by technology enabled care. The programme will take over 12 months to implement fully, but will then enable data integration across systems and reduce administrative tasks thereby freeing up more time to spend with our residents and guests.

HOW OUR ACTIVITIES ACHIEVE OUR AIM AND PUBLIC BENEFIT

The Charity is one of the largest providers of social care for older people in Gloucestershire. The local authority and the regulator deem us a 'difficult to replace' care provider – this means that our services are vital to the community and the County.

Our aim is to provide care and support for our residents and families irrespective of financial means.

The Charity has navigated the challenge that many charities have not managed, in that balancing providing excellent care, increasing wages and increasing our supported residents whilst ensuring we remain a very stable place to live and work.

We have always supported residents with limited resources where possible. During the period this cost us up to £3.1 million, increased from £1.5million in 2022.

The Charity stands by its commitment of 'A Home for Life' as we ensure that all our residents stay with us irrespective of their financial status. Those with little or no financial resources can apply to Social Services to pay the bulk of their fees. However, the amount that Social Services will pay is less than the actual cost of providing the required care. In the absence of help from family or other sources of support, such residents will have a shortfall in fees made up from the Charity's own resources. We do not ask any resident to leave due to a financial circumstance.

Considering the guidance from the Charity Commission, we demonstrate our public benefit by providing care, catering and staffing levels higher than industry standards and a Home for Life pledge.

We help to support the development of future health and care professionals by providing training placements in our homes for nurses, nurse associates, physiotherapists and paramedics.

We are working with Proud to Care and other local organisations to promote caring as a career and offering training placements and work experience for colleges and secondary schools in Gloucestershire.

Our dementia training and awareness sessions are available to everyone in the community, not just residents and their families.

We provide emotional support and guidance through our MAST groups and Day Care.

We continue to work closely with our colleagues in the NHS and Gloucestershire County Council to ease demand in the hospitals and help with short-term support.

SUMMARY OF FUTURE PLANS

We are ambitious for LFC. Our quality of care and our quality of colleagues and our reputation in the health and care sector are strengths to build on.

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We want to be able to support more people, provide secure careers for colleagues and champion the cause for not-for-profit care provision.

Lilian Faithfull aspires to create the best care home experience in Gloucestershire through our dedicated people, our home from home 'feel' and our constant drive to personalise our service to meet the particular needs of every resident.

We have introduced a People Plan to set out our priorities for recruiting and developing our care teams to meet the changing needs of the care sector and this includes the launch of the Lilian Faithfull Training Academy in September 2025.

Our 'home for life' pledge connects us to our charitable purpose and our principle of being in care for the right reasons, not for profit.

We support older people to live their lives the way they wish. We understand the importance of personal preference, encourage independence and aim to always respond to our residents in a manner which makes each feel valued and respected as individuals.

Residents are joining us later in life with more complex needs and length of stays are reducing in part due to an increase in respite and convalescent visits.

Looking to the future, in November the Board of trustees approved an enabling plan to evolve our services and adapt our care homes to reflect the changing needs of residents and their families. We are adopting a test and learn approach to three different formats, an integrated Care Village at Bay Tree Court, Residential, Nursing and End of Life Care at St Faith's and Specialist Small community dementia care at Royal Court., which will enable us to try out new ideas and respond more quickly to changing circumstances.

We are very grateful for the community support the Charity receives from local businesses, schools and organisations which enhances our residents' lives on a daily basis and will continue to develop these important relationships.

FEEDBACK ON THE CARE WE PROVIDE WITH 2024/5 REVIEWS

We actively seek feedback on the services that we provide as an opportunity for learning

The Charity estimates that our work touches the lives of approximately 1,000 people every day in our County, be that residents, families, staff, doctors as well as many others.

Feedback tells us how important our Charity is in the County and some of the most recent feedback from families is heart-warming for our teams who work so hard to care for our residents and guests.

Astell House review from Son of Resident
As I live in Yorkshire, I do a lot of video calls with Mum and the staff are only too pleased to set up Mum's tablet. Everyone is so helpful. When I do visit we are always asked and provided with a cup of tea. If we are there lunch time we always asked to have lunch. On my last visit they provided a guest room (which was very clean) and provided supper and breakfast. The home is so clean and the staff are always kind and courteous, nothing is too much trouble for any of them. Mum is so relaxed and comfortable with all the staff. Such a great happy and loving atmosphere.

Bay Tree Court review from Daughter of Resident
Mum came to live in Bay Tree Court Residential Care Home at the end of June, in a lovely room where she was able to bring her own things, and make it cosy. Mum was always commenting on the attention given to cleaning and washing, and was most impressed by having fresh towels every day, as well as the superb standard and variety of the home cooked meals.

Sadly, mum passed away at the end of October. We would like to thank every single person for the compassion and love they showed Mum. The genuine sympathy we, as a family, have been shown, has been amazing, and has certainly helped us through this process, and reaffirmed to us that Bay Tree Court was the perfect place for mum to spend her final months.

Thank you everyone - you are all wonderful.

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Faithfull House
The carers always spoke to my sister before anyone else in the room; she acknowledged this with a smile, even when she didn't remember very much. She could at times be very feisty but they always responded with calmness and patience. Everyone was welcoming to all her visitors. We were treated like one of the family; when towards the end, I spent a night with her. I was shown great courtesy and I felt in good safe hands, as well as my sister. All the staff were approachable and helpful; she was offered alternatives in activities and also in meals. These courtesies intended to all the staff, laundry, handy people, dining room and kitchen staff. Thank you.

Resthaven review from Daughter-in-Law of Resident
Resthaven is an exceptional care home.
Our mother had complex and rapidly evolving needs as her ongoing paralysis grew steadily worse.

The Resthaven staff were consistently kind, attentive and patient - listening carefully to her and treating mother with real dignity and respect to the end.

In our experience, Resthaven fosters a staff that is that rare combination of being ultra-professional and well-trained with genuine human warmth and a patient-first mentality. We can't thank them enough.

Royal Court review from Partner of Resident
A fantastic care home with lovely staff, great food and an excellent standard of care. Royal Court is clean and welcoming, my partner has Huntingdons Disease and goes here for respite care, they understand her needs and make her feel comfortable and safe. I can't recommend them highly enough.

St Faith's review from Daughter-in-Law of Resident
As soon as you walk in it feels like home, it's clean, warm, and welcoming. All the staff we interacted with were courteous and knowledgeable. And everyone there we saw was well presented, heads up and smiling.

The PA was amazing, professional, and knowledgeable, with no questions to daft or simplistic to answer. We know we have chosen the right place.

Secret Garden Daughter of Resident
A huge thank you to the manager and his team for exceptional care to my Mum who has Dementia. You have been kindness itself and we're all so very grateful. Mum has loved the friendships made with both peers and staff. Two visits a week, helped establish a routine and generate conversation to tell us all at the end of the day. Mum particularly enjoyed the outings, to which we were made welcome and the visiting performers to the group.

The manager also made visiting professionals welcome to view Mum in her own environment, he frequently re-organised transport for Mum when we needed to change days to cater for last minute appointments. Thank you to all of you. You really do make a difference and should be applauded for doing so.

FINANCIAL REVIEW

The market in the Care sector has been very tough since the end of Covid and the well documented issues in the funding of the Adult Social Care sector continue to make running care homes very tough indeed. There are many new entrants to the market (for self-pay residents) and Care Homes are still being built, at pace and to a template to ensure running efficiency. The Charity's financial priority in Financial Year 2025 (FY25) was to grow our occupancy rates to allow for investment in the estate to facilitate improvements in the care we provide to our residents.

Total income for the year was £18.23million (FP24 (FP24): £19.7million) with £17.7m (FP24: £18.9m) of this relating to resident fees. This decreased income was mainly due to the prior reporting period being a 15-month period compared to a year. Fee rates were increased for our self-pay residents as we must cover the ever-increasing cost base variances which are outside of our control. Pressure on wages continues as we try to reward our staff for the excellent level of care they provide by not just being a National Minimum Wage employer.

Average occupancy for the year was 84.1% (FP24: 82.1%). We are still seeing the trend for people leaving the decision to come into care being delayed which is resulting in higher care needs for our residents which again impacts on our staffing levels.

Closing occupancy in March 2025 was 85.5% (FP24: 81.3%). To underpin the Charity's core objectives, part of the strategy is to obtain income from other sources, in part to maintain a competitive advantage but also to offset rising costs.

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In FY25 our day centres brought in £0.3m (FP24: £0.4m), investment property and flats (inclusive of the Independent Living flats at Bay Tree Court) £0.4m (FP24: £0.6m).

Direct charitable activities expenditure was £19.0 million (2021: £21.1m). The majority of this increase, when adjusted for differing length periods, can be attributed to additional employment costs which stood at £13.2m (FP24: £13m) for the year. The increase in the National Minimum Wage (NMW) in April 2024 was 10% which was a significant additional amount for the Charity to cover, allied to that the Board and Trustees made a decision to go above and beyond the NMW and start the process of moving our payrates at the entry level towards the National Living Wage. This was a key move for the Charity and it has helped our recruitment of staff which has allowed us to reduce our reliance on agency staff in our homes. The reduced use of agency has not only had a financial benefit but has meant the majority of our care is provided by our employed staff who are trained to Lilian Faithfull's excellent standards. Agency staff cost £0.48m in FY25 compared to FP24: £1.9m even when taking into account the extended period in FP24 this is a great reduction in costs.

The Charity believes that its staff are its biggest asset and ensuring that the teams in the care homes are fully inducted, fully trained and are encouraged to develop and build a career in Lilian Faithfull is really important. The launch of the Lilian Faithfull Academy will formalise our training approach and give our teams the ability to deliver excellent care, wherever they may be in future. Our staff retention rates continue to improve throughout FP2024 which has meant that our recruitment spend has been kept well under control £0.1m (FP24 £0.2m).

Support costs crept up during the year to 9.5% (FP24: 9.1%) of income as we commenced a programme of bringing the technology used by the charity up to date and the associated costs that comes with that. Overheads and support costs are constantly monitored and we fully expect the investment in new technologies to allow the Charity to reduce its central costs as a result of the changes instigated.

We continue to drive cost efficiencies in our cost base and where appropriate we will put suppliers out to tender if we believe that their costs have increased by too much or we believe that the service we are receiving is not of the required standard. Both of which have happened in the year in question.

Capital expenditure decreased to £0.2m (FP24: £6.0m). The drop was the result of FP24 including the purchase of Bay Tree Court to add to our estate. Bay Tree Court has full residential facilities alongside assisted living accommodation and is now allowing Lilian Faithfull to offer our full range of services to the local community. During the year the decision was taken to sell an investment property, Tredwells Court. This property was not part of our core operations and the sale allowed the management team to fully focus on the changes needed in the homes and to raise funds. The property was sold around the time of the previous year end and raised £0.8m in cash and created a book loss of £0.3m.

Financial assistance to those residents funded by local authorities continued as the increase in local authority rates remain depressed by pressure on the Local Authority. Despite a 10% increase in NMW the Local Authority raise only went up by just over 5% increasing the pressure on all providers of Adult Social Care. Across the year financial assistance reached a maximum of £2.9m (FP24: £3.1m). This is the annualised average difference between the break-even cost of caring for a resident and the rate the local authority pays.

The Charity's closing cash balance was £0.2m (FP24: £0.0m), an increase of £0.2m, this was the result of careful cost control and being forced to increase our rates for Self Pay residents by more than we would have wanted. Despite this action to improve our cash position we still failed to achieve our bank covenants when they were tested at 31 March 2025. Despite this, Barclays Bank have continued to be very supportive and is giving us the time and support we need to recover. As a result of the continued failure to meet the loan covenants, our bank loans are now presented as falling due within one year.

The Charity's surplus before depreciation and bank interest was £0.6million (FP24: £0.3million) with the net deficit being £0.7m for the year (FP24: deficit £1.37m). This shows how the actions taken have started the process of turning around the performance of the charity and everyone is working hard to ensure that this progress is maintained over the coming years.

Principal Funding Sources

The Charity's principal source of funding is from residents' fees. That includes residents who are self-funding, residents paying a proportion of their care costs as deemed by the Local Authority, residents fully funded by the Local Authority and residents funded by our Commissioners. The Charity also received donations from local businesses, families and charitable events.

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The Charity has received donations and other contributions to costs from various organisations such as the RAF Benevolent Fund, Civil Service Benevolent Fund, the Royal Agricultural Benevolent Fund, and the St Andrews Society. The support from these organisations is hugely appreciated by the Board of Trustees.

Investment Policy

During the year, the Charity used the remaining funds that had been invested to fund the operations of the organisation. There are currently no funds under investment.

Our investment policy, when there are funds to invest, will retain the primary objective of preserving capital and generating prudent capital growth over the long term.

Reserves Policy

The Trustees have previously examined the Charity's requirements for reserves in light of the main risks to the organisation. Providing care and effective support when it is needed is core to our mission at Lilian Faithfull Care, and therefore the reserves policy we have set is intended to ensure we are able to deliver on our aim and objectives. The policy is intended to ensure our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required.

The policy is that the unrestricted funds not assigned to tangible fixed assets and investment properties (assuming that loans part-fund those assets) held by the Charity should be sufficient to cover the essential operating costs of the Charity for a three-month period.

The Trustees aim to set aside those reserves in order to protect the future operations of the Charity from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice.

During this financial year our level of reserves has fallen short of our policy objective.

Total Charity Funds at 31 March 2024 were £8.6m (FP24: £9.4m). Of those, Restricted Funds were £0.5m (FP24: £0.5m) and no designated funds leaving General Unrestricted funds at £8.1m (FP24: £8.9m). Fixed assets and investment properties amounted to £18.9m in total (FP24: £19.3m), of which £9.5m is deemed to be funded by loans (FP24: £9.9m), leaving negative free reserves of £1.3m (FP24: negative £0.5m).

The reserves policy has been reviewed by the Finance Committee in the light of the Charity's new strategy and subsequently approved by the Board by the end of FY2025.

RISK MANAGEMENT

It is a legal requirement for Trustees to make a risk management statement in their annual report on the steps the Charity has taken to manage risk which helps to demonstrate the Charity's accountability to its stakeholders including beneficiaries, donors, funders, employees and the general public.

Risk management should form an integral part of the Charity's decision–making and be incorporated within strategic and operational planning. The Risk Committee in July 2025 approved a Risk Management Policy which they are recommending the Board to approve in September 2025.

The Risk Committee determines that there is a robust process in place for identifying, managing, and monitoring critical risks; oversee execution of that process; and ensure it is continuously improved as the business environment changes.

The Risk Committee has prepared a comprehensive Risk Register which has been approved by the Board. The Risk Register is regularly reviewed by the Risk Committee and the Board.

The Charity Trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that appropriate mitigation measures are established in order to manage those risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Lilian Faithful Care was incorporated as a private company limited by guarantee under the Companies Act 1985 on 31 December 2007. The Company was also registered as a charity on 31 December 2007. The Company is governed by its Memorandum and Articles of Association. In the event of the Company being wound up members are required

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to contribute an amount not exceeding £1. Following a change to the Memorandum and Articles of Association which were approved by the Charity Commission in January 2024, the members of the Charity are also the Trustees.

Subsidiaries

The Charity has a wholly-owned subsidiary, Lilian Faithfull Trading Limited, which is planning to contract with local authorities in respect of local authority-funded residents. Lilian Faithfull Homes Limited is a second wholly-owned subsidiary, which did not trade during the current or preceding financial year and is a dormant company.

Governance

The organisation follows the principles of the Charity Governance Code for larger charities. The organisation has a Governance Manual setting out its governance arrangements. The Governance Manual was approved by the Board in January 2023 and is reviewed annually to ensure that it follows best practice and is up to date. An updated Manual was approved by the Board in November 2024. The Governance Manual contains a Scheme of Delegated Authority (SODA) which sets out the matters reserved to the Board and those delegated to the Board Committees and the Executive Team. The SODA is reviewed annually as part of the Governance Manual.

Trustees and Chief Executive

The Board of Trustees comprises up to twelve Trustees. At the beginning of 2024 there were eleven Trustees. There was one resignation in March 2024 and following a recruitment exercise a replacement was appointed who started in January 2025. There was a retirement in December 2024 and following a recruitment exercise a replacement was appointed who started on 23 May 2025. The Governance Committee agrees an interview panel for the appointment of Trustees which recommends appointments to the Board ensuring that the recruitment process is formal, fair, rigorous and transparent. All eligibility checks are undertaken and an induction pack is provided to new Trustees.

Trustees are not entitled to receive any payment for the time spent on Trustee duties. The Board has agreed an expenses policy for Trustees to reimburse reasonable out-of-pocket expenses properly incurred in the performance of Trustee duties.

The Chair of Trustees leads on the recruitment for the post of Chief Executive. This includes job description; person specification; advertising including external recruitment organisation; interviewing panel and remuneration. The process to be formal, fair, rigorous and transparent. The appointment will be subject to Board approval and satisfactory eligibility checks and references.

The People Committee consider a remuneration and benefits framework (including pension arrangements) for the Chief Executive.

The Board Chair and Vice Chair set the Chief Executive's objectives and undertake the appraisal, the outcome of which is presented to the Board.

Committees

The Board has established the following Committees, which act within their agreed terms of reference, are:-

Finance Committee is to oversee financial aspects of the Charity.

Risk Committee is to oversee risk aspects of the organisation.

Care Committee is to focus on care and the HR aspects of our homes. The Care Committee is responsible for safeguarding and receives a comprehensive safeguarding report presented by the Director of Care with a root analysis and comments. This provides the Committee with an opportunity to look in detail at this report and to challenge and interrogate. The minutes of the Care Committee together with Safeguarding Report are presented to the Board to keep all Trustees informed. Any concerns raised by the Committee are reported to the Board.

People Committee is to oversee people aspects of the organisation.

Governance Committee is to oversee governance aspects of the organisation.

Estates Committee is to oversee estates aspects of the organisation.

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Decisions

The Board has ultimately responsibility for decisions taken by the organisation. Committees give detailed consideration on matters within their respective terms of reference and report to the Board of Trustees after each meeting. The Scheme of Delegated Authority sets out the matters delegated to each Committee.

Fundraising disclosures

The Charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Lilian Faithfull Care for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company, enables them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the Audit report) of which the Charity's auditor is unaware.

Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Trustees' report comprising the Strategic Report and other information was approved by the Trustees on and signed on their behalf by:

By order of the Board



……
F Spencer
Trustee

6/10/2025
Date: ……..

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Opinion
We have audited the financial statements of Lilian Faithfull Care for the year ended 31 March 2025 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statement and our auditor's report thereon. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity's audit. We remain solely responsible for our audit opinion.

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

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Extent to which the audit was considered capable of detecting irregularities, including fraud

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 March 2025 has been undertaken;
- Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
- Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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.

Martin Howard

.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 6/10/2025 .....

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LILIAN FAITHFULL CARE
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds	Restricted funds	Total funds Year ended 31 March 2025
		£	£	£
INCOME				
Income from:				
Donations and legacies	2	12,238	1,665	13,903
Charitable activities	3	17,747,972	-	17,747,972
Investments	4	438,827	-	438,827
Other income	5	32,403	-	32,403
Total income		18,231,440	1,665	18,233,105
Expenditure on:				
Charitable activities		(18,968,161)	(14,413)	(18,982,574)
Total expenditure	6	(18,968,161)	(14,413)	(18,982,574)
Net gains on investments		1,863	-	1,863
Net movement in funds		**(734,856)**	**(12,748)**	**(747,604)**
Reconciliation in funds				
Total funds brought forward		8,882,091	504,143	9,386,234
Net movement in funds		(734,856)	(12,748)	(747,604)
Total funds carried forward		**8,147,235**	**491,395**	**8,638,630**

The notes on pages 24 to 37 form part of these financial statements.

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LILIAN FAITHFULL CARE
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds	Restricted funds	Total funds 15 months to 31 March 2024
		£	£	£
INCOME				
Income from:				
Donations and legacies	2	48,120	30,174	78,294
Charitable activities	3	18,909,479	-	18,909,479
Investments	4	572,647	-	572,647
Other income	5	93,918	-	93,918
Total income		19,624,164	30,174	19,654,338
Expenditure on:				
Raising funds:				
Investment manager's fees		9,599	-	9,599
Charitable activities		21,048,069	-	21,048,069
Total expenditure	6	21,057,668	-	21,057,668
Net gains/(losses) on investments		61,934	-	61,934
Transfer between funds		60,000	(60,000)	-
Net movement in funds		**(1,311,570)**	**(29,826)**	**(1,341,396)**
Reconciliation in funds				
Total funds brought forward		10,193,661	533,969	10,727,630
Net movement in funds		(1,311,570)	(29,826)	(1,341,396)
Total funds carried forward		**8,882,091**	**504,143**	**9,386,234**

The notes on pages 24 to 37 form part of these financial statements.

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LILIAN FAITHFULL CARE
BALANCE SHEET (Company Number: 06461263)
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
FIXED ASSETS			
Tangible assets	11	17,014,832	17,400,493
Investments	13	100	259,643
Investment property	12	1,932,388	1,932,388
Total fixed assets		18,947,320	19,592,524
CURRENT ASSETS			
Debtors	14	1,203,041	1,614,726
Cash at bank and in hand		204,965	12,767
		1,408,006	1,627,493
CREDITORS			
Amounts falling due within one year	15	(11,716,696)	(11,833,783)
NET CURRENT LIABILITIES		(10,308,690)	(10,206,290)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,638,630	9,386,234
CHARITY FUNDS			
Restricted funds	19	491,395	504,143
Unrestricted funds	18	8,147,235	8,882,091
Total funds		**8,638,630**	**9,386,234**

Approved by the Board for issue on 6/10/2025 ……..

……
F Spencer - Trustee

The notes on pages 24 to 37 form part of these financial statements.

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LILIAN FAITHFULL CARE
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2025

	Note	£	2025 £	£	2024 £
Cash used in operating activities					
Net cash provided by/(used in) operating activities	**21**		(80,896)		470,185
Cash flows from investing activities					
Dividends, interests and rents from investments		438,827		572,647	
Purchase of tangible fixed assets		(215,116)		(5,993,931)	
Proceeds from sale of tangible fixed assets		-		32,504	
Proceeds from sale of investment property		829,021		-	
Purchase of investments		-		(9,409)	
Investment property additions		-		(1,385,366)	
Withdrawal of investment		96,335		565,819	
Cash provided by / (used in) investing activities			1,149,067		(6,217,736)
Cash flows from financing activities					
Advance of bank loan			-		6,475,000
Bank interest paid			(625,274)		(728,421)
Repayments of borrowings			(414,008)		(474,357)
Net cash used in/ provided by financing activities			**(1,039,282)**		**5,272,222**
Change in cash and cash equivalents in the year			**28,889**		**(475,329)**
Cash and cash equivalents brought forward			176,076		651,405
Total cash and cash equivalents carried forward	**22**		**204,965**		**176,076**

The notes on pages 24 to 37 form part of these financial statements.

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1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, adopting the following principal accounting policies all of which are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS102) issued in July 2014 and The Companies Act 2006.

The financial statements are presented in Pounds Sterling.

Company status

The Charity is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The company is subject to the requirements of the Companies Act 2006 with regards to the form and content of the financial statements.

The Charity is a private company, limited by guarantee (company no. 06461263 England and Wales) without share capital, and registered with the Charity Commission (registered number 1122183 in England and Wales).

The address of its registered office is:
Faithfull House
Suffolk Square
Cheltenham
Gloucestershire
GL50 2DT

This is also the registered address of its subsidiaries Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited.

Consolidated financial statements

The financial statements do not include the consolidated financial results of the Charity and its subsidiary companies, Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited, on the grounds that the subsidiary companies' results are immaterial to the group.

Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For long term finance the charity relies on bank loans, as disclosed in notes to the financial statements. In assessing going concern the Trustees have assumed that these bank loans will not be repaid for the foreseeable future (in line with the signed bank loan agreement) and are not aware of any circumstances that may adversely affect the renewal of these facilities. The Trustees consider that there are no material uncertainties over the Charity's financial viability and, accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes; or
- Unrestricted designated funds, that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements; or
- Restricted funds, which are donations or legacies received where the donor has specified use solely for particular areas of the Charity's work or for specific projects undertaken. The specific restriction on each fund is set out in the financial statements.

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ACCOUNTING POLICIES (continued)

Incoming resources

Investment income is recognised when received, or if declared and receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes home income recognised as earned (as the related goods or services are provided) under contract.

Rental income is included in the year in which it is receivable. Rent receivable from the investment property is classified as investment income.

Resources expended

Expenditure is accounted for as charitable activities being the provision of care. Within provision of care, costs are allocated between direct provision of care costs and support costs. The irrecoverable element of Value Added Tax is included with the item of expense to which it relates. Depreciation is allocated to expenditure headings on the basis of the use of the assets concerned.

Governance costs include cost of constitutional and statutory requirements, cost of Trustee meetings and the cost of any legal advice to the Trustees on governance or constitutional matters and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage.

Costs of raising funds are costs payable to third party investment managers that manage the Charity's investment portfolio.

Government grants

Grants from government bodies are reviewed for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received, and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

Taxation

The Company is an Exempt Charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 519 of the Income Tax Act 2007 (formerly Section 506(1) of the Taxes Act 1988). Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 524 of the Income Tax Act 2007 (formerly Section 505 of the Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Tax 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Ongoing projects may have additional costs below this value however they are capitalised as the overall cost of the project is over £1,000.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives in the following bases:

Freehold land	Nil
Freehold buildings	2 - 5% of cost per annum
Leasehold improvements	In line with the underlying lease
Fixtures and equipment	20% of cost per annum
Motor vehicles	20% of cost per annum

Investments

Fixed asset investments are included at market value at the Balance Sheet Date.

Gains and losses represent the movement in market values during the year and are credited of charged to the Statement of Financial Activities.

Unlisted investments are shown at cost unless there is a permanent diminution in value.

Investment Property

Investment properties are stated at freehold market value in the Balance Sheet at the reporting date. An independent professional third-party valuation is carried out at least every five years and prepared on an informal basis in the intervening period. Gains or losses are taken to the Statement of Financial Activities. No depreciation is charged on investment properties.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with financial institutions.

Debtors

Trade, other debtors and accrued income are recognised at the settlement amount due, and prepayments are valued at the amount prepaid.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors, taxation and social security, wages and salaries, other creditors and accruals are recognised at their settlement amount. Bank loans are recognised at amortised cost using the effective interest method.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors, creditors and loans. All investments held by the Charity also qualify as basic financial instruments.

Pension costs

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

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ACCOUNTING POLICIES (continued)

Redundancy costs

Redundancy costs arising from periodic reviews of staff levels are charged to the Statement of Financial Activities in the year in which the Charity is demonstrably committed to the employees leaving the Charity.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to consider making significant judgements and estimates where necessary. The areas in which significant judgements and estimations have been made comprise of depreciation and the recoverability of debtors, and investment property valuation.

Useful economic lives of tangible fixed assets
The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See Note 11 for the carrying amount of the tangible fixed assets and above for the useful lives of each class of asset.

Impairment of debtors
The Charity makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Investment property valuation
The Charity will periodically engage third party experts to provide, and independent valuation of the investment properties held.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total funds Year ended 31 March 2025	Total funds 15 months to 31 March 2024
	£	£	£	£
Donations				
General donations	12,238	1,665	13,903	78,294
Total	12,238	1,665	13,903	78,294

Donations in the current and prior year mostly relate to individual, independent donors, with the amounts being small in value.

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3 PROVISION OF CARE

	Year ended 31 March 2025 £	15months to 31 March 2024 £
Residents' fees	17,741,780	18,865,153
Contributions to running costs	6,192	15,616
Charity shop income	-	28,710
	17,747,972	18,909,479

Provision of care was unrestricted during this and the prior year. The charity shop was closed in the prior year.

4 INVESTMENT INCOME

	Year ended 31 March 2025 £	15 months to 31 March 2024 £
Rental income	438,827	571,146
Income from listed investments	-	1,501
	438,827	572,647

5 OTHER INCOME

The analysis of the Charity's other income for the year is as follows:

	Year ended 31 March 2025 £	15 months to 31 March 2024 £
Other income and gift aid	32,403	93,918
	32,403	93,918

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

	Activities undertaken directly 2025 £	Support costs 2025 £	Year ended 31 March 2025 £	15 months to 31 March 2024 £
Care costs	10,124,677	-	10,124,677	9,366,798
Welfare	3,329,165	-	3,329,165	6,103,662
Premises	2,666,658	-	2,666,658	3,137,802
Support costs	-	2,862,074	2,862,074	2,449,406
Total	16,120,500	2,862,074	18,982,574	21,057,668

Docusign Envelope ID: C555F678-A17C-478A-9EA7-0CF55BEF11A8

Analysis of direct costs

	Care Costs 2025	Welfare 2025	Premises 2025	Year ended 31 March 2025	15 months to 31 March 2024
	£	£	£	£	£
Staff costs	9,678,859	1,497,277	240,441	11,416,547	11,844,730
Depreciation	-	-	540,625	540,625	865,958
Contract catering	-	621,996	-	621,996	770,231
Establishment costs	-	-	805,548	805,548	1,088,276
Repairs and maintenance	-	-	978,788	978,788	979,213
Advertising	-	129,834	-	129,834	84,600
Office expenses	-	75,187	101,592	176,779	315,061
Subscriptions and publications	-	21,230	-	21,230	34,549
Equipment hire	-	13,088	-	13,088	27,841
Residents' welfare and activities	-	113,243	-	113,273	107,499
Cleaning, medical costs, uniforms	-	188,086	-	188,086	173,318
Motor expenses	-	44,137	-	44,137	50,028
Other employment costs	-	245,803	-	245,803	391,497
Irrecoverable VAT	-	344,744	-	344,744	369,251
Agency costs	445,818	34,540	-	480,358	1,506,210
Management charge	-	-	-	-	-
Total	10,124,677	3,329,165	2,666,994	16,120,836	18,608,262

Analysis of support costs

	Year ended 31 March 2025	15 months to 31 March 2024
	£	£
Staff costs	1,827,405	1,218,558
Printing, postage and stationery	19,155	35,494
Legal and professional costs	199,971	198,962
Bank charges & interest	739,917	773,091
Governance costs	15,475	15,202
Depreciation	60,142	97,029
Bad debt provisions	9	111,070
	2,862,074	2,449,406

Governance costs comprise auditor's remuneration of £15,000 (2024 - £15,030) and Trustees' expenses of £475 (2024 - £172).

7 TAXATION

The company is a registered charity and is therefore entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

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8 AUDITOR'S REMUNERATION

	12 months to 31 March 2025 £	15 months to 31 March 2024 £
Fees payable to the Company's auditor for the audit of the Company's Annual accounts	11,000	15,900
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	4,000	3,300
	15,000	19,200

9 EMPLOYMENT COSTS

	Year ended 31 March 2025 £	15 months to March 2024 £
Wages and salaries	12,186,432	11,932,425
Social security costs	851,106	831,781
Contribution to defined contribution pension schemes	206,443	232,764
	13,243,981	12,996,970

During the year, 0 (2024 – 0) Redundancy and Termination payments (including salary, notice and accrued holiday pay) were made, totalling £Nil (2024 - £Nil).

The average number of persons employed by the Charity during the year was as follows:

	2025 No.	2024 No.
Average number of employees	495	430

The number of employees whose employee benefits exceeded £60,000 was:

	2025 No.	2024 No.
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1

The key management personnel (other than the Trustees who are not remunerated) of the Charity are the Chief Executive Officer, the Director of Care, Director of Human Resources and the Director of Finance. The remuneration for this team totals £321,646 (2024 - £351,902). This includes gross salary, benefits and employer's pension contributions.

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10 TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2024 - £Nil).

During the year ended 31 March 2025, expenses totalling £475 were reimbursed or paid directly (2024 – £172).

11 TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Improvements	Motor Vehicles	Fixtures and Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2024	17,711,572	4,002	223,281	5,185,393	23,124,248
Additions	-	-	-	215,116	215,116
Disposals	-	(4,002)	-	(422,681)	(426,683)
At 31 March 2025	17,711,572	-	223,281	4,977,828	22,912,681
Depreciation					
At 1 April 2024	1,534,221	3,269	181,638	4,004,627	5,723,755
Charge for the year	139,069	733	16,005	444,970	600,777
Eliminated on disposal	-	(4,002)	-	(422,681)	(426,683)
At 31 March 2025	1,673,290	-	197,643	4,026,916	5,897,849
Net book value					
At 31 March 2025	16,038,282	-	25,638	950,912	17,014,832
At 31 March 2024	16,177,351	733	41,643	1,180,766	17,400,493

12 INVESTMENT PROPERTY

	Freehold Investment Property
	£
Valuation	
At 1 April 2024 and at 31 March 2025	1,932,388

The Trustees have reviewed the value of the investment properties and consider that costs represent the fair value at 31 March 2025. The investment properties are valued by an independent, third-party valuer on a quinquennial basis.

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13 FIXED ASSET INVESTMENTS

	Investments in subsidiary company £	Listed Investments £	Total £
Cost or valuation			
At 1 April 2024	100	259,543	259,643
Disposals	-	(98,097)	(98,097)
Revaluations	-	1,863	1,863
Movement in cash held for reinvestment	-	(163,309)	(163,309)
At 31 March 2025	100	-	100

The investment facility was closed during the year and all listed investments have accordingly been disposed of. At year end cash held by the investment managers totalled £Nil (2024 – £163,309).

Lilian Faithfull Trading Limited is a wholly owned subsidiary of the Charity and manages the Local Authority care contracts. For the year ended 31 March 2025, Lilian Faithfull Trading Limited made a loss of £13,389 (2024 – loss of £93,153) and as at 31 March 2025, the entity had total net liabilities of £105,513 (2024 - £92,124).

Lilian Faithfull Homes Limited is a second wholly owned subsidiary. Lilian Faithfull Homes Limited did not trade during the current or preceding financial year and is a dormant company.

Both entities have the same registered office as Lilian Faithfull Care.

14 DEBTORS

	2025 £	2024 £
Trade debtors	742,490	254,007
Other debtors	14,832	25,220
Prepayments and accrued income	315,824	1,213,342
Amounts owed by group undertakings	129,895	122,157
	1,203,041	1,614,726

Prepayments and accrued income in the prior year included £829,021 in respect of accrued income on the sale of Tredwells Court. This was received in April 2024.

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15 CREDITORS – amounts falling due within one year

	2025 £	2024 £
Bank loans	9,488,983	9,902,991
Bank overdraft	-	20,157
Trade creditors	772,293	686,346
Other taxation and social security	447,612	344,504
Other creditors	857,447	727,530
Accruals and deferred income	150,361	152,255
	11,716,696	11,833,783

As at 31 March 2025, the charity had not passed financial covenants, and therefore the loans fell due for repayment within one year, as no waiver had been received by the bank pre year end. There are no indications that the bank will look to recover its monies imminently, however.

The first loan is secured by legal charge over both Royal Court, Fiddler's Green, Cheltenham, Gloucestershire and St Faith's Nursing Home, Malvern Road, Cheltenham, Gloucestershire, and bears a margin rate of 1.58% over the Bank of England base rate. The second loan is secured by means of a legal charge over Resthaven Nursing Home, Pitchcombe, Stroud, Gloucestershire, and bears a margin rate of 1.95% over base rate. The third loan has no additional securities to those already listed and bears a margin rate of 1.7% over base rate. The two remaining loans have interest rates of 1.7% over base rate and 6.95% and are secured over Bay Tree Court.

17 FINANCIAL INSTRUMENTS

	2025 £	2024 £
Financial assets		
Financial assets measured at fair value through income and expenditure	-	227,869

Financial assets measured at fair value through income and expenditure comprise listed investments. All other financial assets and liabilities are measured at amortised cost. The investment facility was closed during the year and all listed investments have accordingly been disposed of.

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18 FUNDS

	At 1 April 2024 £	Incoming resources £	Outgoing resources £	Transfers £	Gains / (losses) £	At 31 March 2025 £
General funds						
Free reserves	(547,799)	18,231,442	(18,968,161)	(28,347)	1,863	(1,311,002)
Tangible fixed assets	7,497,502	-	-	28,347	-	7,525,849
Investment property	1,932,388	-	-	-	-	1,932,388
Total unrestricted funds	**8,882,091**	**18,231,442**	**(18,968,161)**	**-**	**1,863**	**8,147,235**

19 RESTRICTED FUNDS

	At 1 April 2024 £	Incoming resources £	Outgoing resources £	At 31 March 2025 £
Donations	504,143	1,665	(14,413)	491,395
Total restricted funds	**504,143**	**1,665**	**(14,413)**	**491,395**

Restricted Funds

Donations
Donations brought forward primarily comprises assets acquired when Lilian Faithfull Care merged with Catharine Ball Almshouses. A small number of donations were received in the period to 31 March 2025 which are restricted due to them being gifted for specific projects/items. During the year, depreciation of £14,413 was charged in relation to the assets of Catharine Ball Almshouses.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2025	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024
Tangible fixed assets	16,555,276	459,556	17,014,832	17,400,493
Fixed asset investments	100	-	100	259,643
Investment property	1,932,388	-	1,932,388	1,932,388
Current assets	1,376,167	31,839	1,408,006	1,627,494
Creditors due within one year	(11,716,696)	-	(11,716,696)	(11,833,784)
Total	8,147,235	491,395	8,638,630	9,386,234

Docusign Envelope ID: C555F678-A17C-478A-9EA7-0CF55BEF11A8

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net income for the period	(747,604)	(1,341,396)
Adjustments for:		
Depreciation charges	600,767	962,987
Gains on investments	(1,863)	(61,934)
Finance costs	732,580	762,828
Loss on disposal of tangible fixed assets	-	208,243
Dividends, interests and rents from investments	(438,827)	(572,647)
Increase in debtors	(417,336)	(44,819)
Increase in creditors	191,387	556,923
Net cash (absorbed by) / provided by operating activities	(80,896)	470,185

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash in hand	204,965	12,767
Cash held for reinvestment	-	163,309
Total cash and cash equivalents	**204,965**	**176,076**

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	176,076	28,889	204,965
Debt due within 1 year	(9,902,991)	414,008	(9,488,983)
	(9,726,915)	442,897	(9,284,018)

24 PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Charity to the scheme and amounted to £206,443 (2024 - £232,764). At the end of the period outstanding contributions amounted to £67,944 (2024 - £34,698). All pension charges are charged to unrestricted funds, in line with the fund out of which the wages and salaries are paid.

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25 OPERATING LEASE COMMITMENTS

At 31 March 2025 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Land and buildings		
Within 1 year	18,500	75,210
Between 1 and 5 years	71,770	6,729
After more than 5 years	-	68,964
Total	90,270	150,903
Plant and machinery		
Within 1 year	106,123	112,542
Between 1 and 5 years	353,477	370,219
After more than 5 years	59,524	145,399
Total	519,124	628,160

26 RELATED PARTY TRANSACTIONS

At 31 March 2025 the Charity was owed £129,895 (2024 – £122,157) by Lilian Faithfull Trading Limited, its subsidiary undertaking. The loan is interest free and has no fixed repayment terms.

LILIAN FAITHFULL CARE

England & Wales - Charity number 1122183

Accounts

Registered Charity No: 1122183
Company Number: 06461263

LILIAN FAITHFULL CARE

TRUSTEES REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2024

Note - the charity changed financial year from January – December to April – March, to align it with the accounting periods of commissioners and government.

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Name of Charity	Lilian Faithfull Care
Charity Number	1122183
Company Registration Number	06461263
Registered Office	Ground Floor West Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Principal Office	Ground Floor West Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Trustees	Fiona Spencer, Chair (Appointed 15 June 2022) Alan Bishop Fiona Court Sandra Harding (Appointed 4 January 2023) Gareth Parry Phillip Pratt Martyn Smith Emma Morgan (Appointed 18 May 2023) Leaine Thompson (Appointed 18 May 2023 and resigned 18 March 2024) Eve Russell (Appointed 30 May 2023) Adam Watts (Appointed 12 June 2023) Dame Janet Trotter
Company Secretary	Martin Wood
Chief Executive	Kevin Snowball (Started 17 April 2023) Suzanne Booker Interim Chief Executive (21 November 2022 to 16 April 2023)
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham Gloucestershire GL50 3AT

Bankers	Barclays Bank PLC 128 High Street Cheltenham Gloucestershire GL50 1EL
Solicitors	BPE St James House St James Square Cheltenham Gloucestershire GL50 3PR
Investment Managers	atomos One Temple Quay 1 Temple Back East Bristol BS1 6DZ

The Trustees of Lilian Faithfull Care present their Annual Report for the 15-month period ended 31 March 2024 ("FP2024") in accordance with FRS 102, the Charities SORP (FRS 102), the Companies Act 2006, the Charities Act 2011 and the Care Quality Commission. The Trustees are also approving the Strategic Report in their capacity as company directors.

OBJECTIVES AND ACTIVITIES

Our Aim and Public Benefit

The Trustees of Lilian Faithfull Care have the ultimate responsibility for the wellbeing of the Charity; they also set the tone for the way the Charity presents and conducts itself.

Our Charity's aim, as set out in the objects contained in the Charity's Memorandum and Articles of Association, is "to relieve elderly persons in necessitous circumstances upon terms appropriate to their means, and to provide for aged persons in need thereof, accommodation and any associated amenities specifically designed or adapted to meet the disabilities and requirements of such persons".

Our public benefit can therefore be summarised as to provide a safe, friendly and supportive environment for older people at our day centres and residential and nursing homes, across the County of Gloucestershire.

Under company law the Directors of the Company acting as Trustees should ensure that the Charity offers an appropriate range and quality of care for older people in accordance with the Company's Memorandum & Articles of Association. The Trustees must also ensure that resources are utilised in accordance with any legal obligations laid down by statute, HMRC, other Government agencies, Companies House and the Charity Commission.

Everyone who works for the Charity has a responsibility to be mindful of the great legacy Lilian Faithfull entrusted to us to steward for our successors.

Ensuring Our Work Delivers Our Aim

We review our aim, objectives and activities regularly looking at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aim and objectives they have set.

Strategic Objectives

Our 2022 - 2026 strategic pillars are as follows:

- Providing high quality care services to residents and guests
- Attracting, retaining and developing competent and compassionate staff.
- Working collaboratively with families, health professionals and community / business partners.

- Ensuring we manage and develop the estate to meet the changing needs of our beneficiaries.
- Managing our finances and operations effectively and prudently.
- Achieving the highest standards of corporate governance and communication.
- Building on research and evidence to support innovation and change.

A full strategy review is planned for later in 2024 to reassess the medium- and longer-term direction for the Charity.

ACHIEVEMENTS AND PERFORMANCE

For FP2024 the strategic pillars translated to the following key objectives with their outcomes and actions:

Providing high quality care services to residents and guests

Ensure all our homes continue to be CQC compliant

Our homes were inspected under the Care Quality Commission's Infection Protection Team and all five homes received positive feedback.

Our target is for all six homes to be rated "Good" by our CQC regulator. We achieved the target for five of our homes, however, in March 2023, the CQC downgraded Astell House to "Requires Improvement". We have submitted to the CQC a report on the actions we have taken and are waiting for a re-inspection date. We have had a subsequent inspection from Gloucestershire County Council which gave good feedback. Lilian Faithfull appoints an external CQC Inspector to conduct appropriate mock CQC inspections in all of our homes to ensure we monitor and maintain standards.

Managing our finances and operations effectively and prudently.

To achieve occupancy levels of at least 88%

Overall occupancy for the year was 82%. This below our target with levels impacted in November and December by Covid and influenza.

We liaised extensively with our partners in the NHS and local authority to help the wider health and care system wherever we could.

System1 has benefited our staff and residents in supporting their healthcare needs. This is a clinical computer system which communicates between health and social care organisations updating resident health records. It provides a shared record across all health care settings and facilitates rapid response of medical requirements when needed.

Generating a reasonable surplus to enable re-investment in the Charity and its staff

Significant cost increases in the year combined with lower than forecasted income from reduced occupancy meant that we did not generate a surplus in this period.

The national minimum wage increase of almost 10%, food inflation of 20% and other cost increases were not matched by Local Authority rate increases.

We were successful in attracting, retaining and developing competent and compassionate staff.

People, Development and Training:

In FP2024 we continued to expand our programme with the University of Gloucestershire offering placements to degree students on healthcare courses. For the first time we welcomed paramedic students on placement in addition to nurses and physiotherapy students. Students work alongside our staff who are trained as mentors and the partnership continues to enrich the life of the homes and develop the next generation of health and care professionals.

Through continuous investment in training, we now have many colleagues with NVQ qualifications and a cohort of qualified Nursing Associates. We have a clearly defined progression matrix communicated to all staff; we promote succession planning and look at restructuring where needed as the Charity grows.

We were particularly proud to appoint a Home Manager in October who had developed her career at Lilian Faithfull after starting as a nurse.

The wellbeing of our staff is achieved through effectively communicating a wide range of benefits in our staff forums and monthly HR and Training clinics held in each home.

We continue to benchmark wages and benefits to compete with market trends. Recruitment within the sector continues to be a challenge with competition from NHS and retail and hospitality exacerbated by the high cost of living. We have successfully sponsored 15 overseas colleagues via the Health and Social Care visa scheme and are benefitting from their expertise.

In September we were pleased to host the Chief Nurse for Social Care, who visited Faithfull House after the Gloucestershire Care Providers Association (GCPA) Conference. She had a tour of the home, chatted with staff on duty and was impressed with our length of service across the home and training and development of our staff.

Increasing our profile:

Through events and promoting our charitable work we continue to build awareness of our Charity in the County.

We are well represented on external bodies such as the Gloucestershire Care Providers Association (GCPA) and the National Care Forum (NCF) and have been invited to pilot a number of initiatives and projects within the integrated care system.

We are well respected by local commissioning teams and in June we were contacted by the brokerage team at Gloucestershire County Council to assist with the sudden closure of Malvern View care home at Cleeve Hill in Cheltenham. We put together a small implementation team and successfully transferred residents into three of our homes and subsequently appointed Malvern View staff into LFC roles.

We were delighted to win two awards at the Gloucestershire Care Providers Association (GCPA) awards event in September.

Our Physiotherapist Team won the Innovation in Social Care Award for creating a care home gym in the Regency building of Faithfull House in Suffolk Square Cheltenham. The equipment gives multiple health benefits to residents, including rehabilitation from

surgery and falls, increasing mobility, improving strength and building confidence and overall physical well-being.

Volunteer of the Year award went to our partially sighted volunteer at Royal Court who regularly supports our residents by providing companionship and getting involved in organising activities.

Working collaboratively with community / business partners:

Our families of guests who attend the Secret Garden Day Centre have found this facility a safe space where they can share their stories and develop techniques in caring for their loved ones on their dementia journey.

In collaboration with Engaged Now we have established a safe, warm space, open one afternoon a week, where people within the Stroud community can come and meet others to assist with combatting loneliness.

Growth and Development - Explore the opportunity to grow the Charity through acquisition of suitable facilities:

We completed the acquisition of Bay Tree Court, a 59 bed purpose built care home in Prestbury on the 1 February 2023 and have been integrating it into the group over the past year. Bay Tree Court offers a range of services from Independent Living apartments to respite, dementia care and residential care. It is an important part of the community in Prestbury and provides scope to develop a broader range of care and support services in the future.

Properties and services - ensuring they are always fit for purpose:

We continued to invest in upgrades to our properties and completed a number of notable projects in the course of the year.

At St Faith's we rebuilt the top floor dining room and refurbished the lifts, which required the temporary closure of the top floor.

At Royal Court we developed two new dementia wings, to create community living for groups of 6 residents with access to their own communal and dementia-friendly outdoor spaces.

At newly acquired Bay Tree Court we conducted a major update to empty rooms and created a new secure dementia-friendly garden.

Lilian Faithfull Care offers a range of expert dementia care services and at The Secret Garden Day Centre in the grounds of Faithfull House we offer a peaceful location for people living with dementia to spend the day enjoying activities from quizzes, gardening, crafts, dancing and listening to live music and visiting local coffee shops. In response to local requests, we have created a new group aimed specifically at younger people living with early onset dementia, typically aged 40 to 65-years so that they can meet with people their own age.

During FP2024 we reviewed all of our service operations and made the difficult decisions to close our Uplands Day Centre and The Vintage and Treasure Charity shop in Tewkesbury.

Uplands service usage did not fully recover after Covid and we did not have the numbers to run the service sustainably.

The charity shop was popular with customers, but when the rent review resulted in significant additional costs it was not possible to operate profitably and we did not renew the lease when it expired in October.

Investing in technology-enabled care:

Care providers were set a target of implementing Digital Social Care Records by March 2024 and during FP2024 we took the big step of transitioning from paper based to a digital social care record system.

We selected Person Centred Software to be our system provider and rolled out the system home-by-home using a "train the trainer" process and adapting our approach to benefit from the learnings from each implementation.

The programme has been very successful in reducing paperwork and bureaucracy, saving time on non-added value activity and freeing up more time for carers to spend with residents.

Lilian Faithfull Care has been recognised as leaders in this area and has been invited to join the Regional Digital Champions Network and partner with the Digital Transformation Team in Gloucestershire.

HOW OUR ACTIVITIES ACHIEVE OUR AIM AND PUBLIC BENEFIT

The Charity is one of the largest providers of social care for older people in Gloucestershire. The local authority and the regulator deem us a 'difficult to replace' care provider – this means that our services are vital to the community and the County.

Our aim is to provide care and support for our residents and families irrespective of financial means.

The Charity has navigated the challenge that many charities have not managed, in that balancing providing excellent care, increasing wages and increasing our supported residents whilst ensuring we remain a very stable place to live and work.

We have always supported residents with limited resources where possible. During the period this cost us up to £3.1 million, increased from £1.5million in 2022.

The Charity stands by its commitment of 'A Home for Life' as we ensure that all our residents stay with us irrespective of their financial status. Those with little or no financial resources can apply to Social Services to pay the bulk of their fees. However, the amount that Social Services will pay is less than the actual cost of providing the required care. In the absence of help from family or other sources of support, such residents will have a shortfall in fees made up from the Charity's own resources. We do not ask any resident to leave due to a financial circumstance.

Considering the guidance from the Charity Commission, we demonstrate our public benefit by providing care, catering and staffing levels higher than industry standards and a Home for Life alongside:

Our number of supported residents has increased by 167% since 2014. (43 vs. 115 residents).

We provide emotional support and guidance through our MAST groups and Day Care.

We continue to work closely with our colleagues in the NHS and Gloucestershire County Council to ease demand in the hospitals and help with short-term support.

SUMMARY OF FUTURE PLANS

We are ambitious for LFC. Our quality of care and our quality of colleagues and our reputation in the health and care sector are strengths to build on.

We want to be able to support more people, provide secure careers for colleagues and champion the cause for not-for-profit care provision.

Lilian Faithfull aspires to create the best care home experience in Gloucestershire through our dedicated people, our home from home 'feel' and our constant drive to personalise our service to meet the particular needs of every resident.

Our 'home for life' pledge connects us to our charitable purpose and our principle of being in care for the right reasons, not for profit.

We support older people to live their lives the way they wish. We understand the importance of personal preference, encourage independence and aim to always respond to our residents in a manner which makes each feel valued and respected as individuals.

Residents are joining us later in life with more complex needs and length of stays are reducing in part due to an increase in respite and convalescent visits.

Looking to the future, research from the local authority tells us to expect the number of older people aged 65 and over in Gloucestershire to continue to rise at a faster pace than nationally, rising from 126,800 in 2015 to 206,300 by 2039. An estimated 25,400 older people have a long-term illness or disability that limits their day-to-day activities. The number is predicted to rise to 39,000 by 2030. An estimated 12,700 people aged 65+ in Gloucestershire feel lonely always or often. The number of people living alone is estimated to increase by about a fifth.

This means that more people are likely to need support; research shows that when people are isolated and lonely their wellbeing is affected and they are more likely to need health and social care services in the future.

Our active liaison with local community groups and with Social Services has helped significantly in reducing those concerns and has created better local understanding of our work. We are very grateful for the community support the Charity receives from local businesses, schools and organisations which enhances our residents' lives on a daily basis and will continue to develop these important relationships.

The Board is developing a strategy for how the Charity can meet the changing needs of providing care.

FEEDBACK ON THE CARE WE PROVIDE

We actively seek feedback on the services that we provide as an opportunity for learning

The Charity estimates that our work touches the lives of approximately 1,000 people every day in our County, be that residents, families, staff, doctors as well as many others.

Feedback tells us how important our Charity is in the County and some of the most recent feedback from families is heart-warming for our teams who work so hard to care for our residents and guests.

Review of St Faith's from a daughter of a resident:

The care is exceptional. Mum is treated with kindness, respect and patience. All staff: nurses, carers, cleaners - are experienced experts in their field, and every interaction is caring and courteous. We could not have wished for a better environment for Mum. Her room is fabulous, and we've been able to make it feel like home. They welcome us as a family, whether it's a flying visit or we stay with Mum for a few nights. Oh, and Mum loves the food! Thank you, St Faith's, for being awesome.

Review of Faithfull House from a granddaughter of a resident:

My Nan has had a turbulent 12 months and in Faithfull House she has found a home. The building is large, with a number of communal areas in which to socialise or to read. Nan's room is spacious and she is allowed to bring whatever she would like into the room to make it hers.
The busy carers take their time whenever they are with Nan and when my family and I visit we are always offered refreshments. We really do enjoy visiting and find relief in seeing Nan so well looked after by all the staff. I wouldn't hesitate to recommend the home and its caring staff.

Review of Astell House from a daughter of a resident:

My Mother has now been in Astell House for six years. I am very happy to have found Astell House as it has provided a very good home for her since her dementia became bad enough for her not to be able to live at home. The carers (and other staff - admin, kitchen, domestic, grounds etc.) continue to be hugely caring and pleasant and do their best to make her time there enjoyable and safe. Many have also helped me deal with the different changes in my mother's condition as they happen. The current activities staff make a great deal of effort to involve residents in activities that they enjoy and provide a good range - Mum still enjoys anything that involves a good sing!

Review of Royal Court from a partner of a resident:

My partner suffers from Huntingdon's Disease and we use Royal Court for respite services several times a year. The care they provide is second to none. They look after my partner in a caring and respectful way, listen carefully to her needs and requirements and have made it a place she is now happy to go when I need a break which is an absolute godsend. Royal Court provides interesting activities and exceptional food which is so important for people in care to keep them as healthy as they can be, I highly recommend them.

Review of Bay Tree Court from a daughter of a resident:

Mum spent her final six months of life at Bay Tree Court Residential Care Home. They were months filled with laughter and care. The care staff, cleaning staff and management all made this a good time for her and for me. Mum was made welcome right from the start, making the settling-in process an easy one. Mum's room was always clean and neat and the maintenance staff put up hooks for pictures etc. to make it just right for her arrival. When Mum was in her final days of life, the home could not have been more caring. They also looked after me as much as Mum while I spent that time by her bedside.

Review of Resthaven from a daughter of a resident:

My mum was cared for here during the last period of her life. She was diagnosed with a life ending cancer and I sought help from Resthaven for palliative care. From the moment we spoke to Resthaven all the team, from management through to all the care and support team, demonstrated kindness and compassion. Transfer was swiftly arranged from an out of county hospital and, within days, she was transferred to her own room overlooking the orchard. She was happier than we had seen her in months. She died peacefully within the month. Often, when visiting, we would arrive and find one of the care team sitting with her, assuring her that she was not alone. With all her care needs met, we were able to maximise the time we had left with her. Thank you all for the care, respect and professionalism you showed to my mum. You are doing a wonderful job.

Review of Secret Garden from a guest:

Being able to attend Secret Garden Day Care is the highlight of my week. The staff are knowledgeable, helpful and only too pleased to assist in our well-being. The programme is varied to cater for all needs. The manager and the team of dedicated carers see that our needs are met. Secret Garden Day Care gives you a feeling of safety and belonging. My second home is an important part of my well-being and recovery.

FINANCIAL REVIEW

The market in the Care sector has been very tough since the end of Covid. There are many new entrants to the market and Care Homes being built, at pace and to a template to ensure running efficiency. The Charity's financial priority in FP2024 was to maintain our occupancy rates to allow for investment in the estate to facilitate improvements in the care we provide to our residents.

Total income for the period was £19.65million (2022: £13.7million) with £18.9m (2022: £12.4m) of this relating to resident fees. This increased income in part due to the reporting period being a 15 month period and also due to the necessity to put our care fee rates up with spiralling food inflation and significant pressure on wages. Average occupancy for the year was 82.1% (2022: 90.4%) with market pressures and pensioner finances resulting in decisions to come into care often being delayed more than in the past.

Closing occupancy in March 2024 was 81.3% (2022: 85.5%). Fees did increase in the period, although we managed to keep any increases below the underlying rate of inflation and well below the rate of increase in the National Minimum Wage.

To underpin the Charity's core objectives, part of the strategy is to obtain income from other sources, in part to maintain a competitive advantage but also to offset rising costs.

In FP2024 our day centres brought in £0.4m (2022: £0.4m), investment property and flats (inclusive of the Independent Living flats at Bay Tree Court) £0.6m (2022: £0.1m).

Direct charitable activities expenditure was £21.0million (2021: £11.9m). The majority of this increase, when adjusted for differing length periods, can be attributed to additional employment costs which stood at £14.5m (2022: £8.8m) for the period. This was driven by the National Minimum Wage increase in April and consequent increases to all staff already above that rate. Additionally, a reduction in the pool of employees in the market resulted in continuing use of agency staff, with costs of £1.9m (2022: £1.7m) in the period. The Charity believes that its staff are its biggest asset and ensuring that the teams in the care homes are fully inducted, fully trained and are encouraged to develop and build a career in Lilian Faithfull is really important. Our staff retention rates have improved throughout FP2024 which has meant that our recruitment spend has been kept well under control. This means that we can maintain consistency in our dedicated teams of nurses, carers and other care home staff.

Support costs reduced at the same level of the previous year at 9.1% (2022: 9.5%) of income as we continue to ensure the Charity is operated in the most efficient way possible. Overheads and support costs are regularly reviewed to ensure best value for money is obtained for the Charity. Where appropriate we will put suppliers out to tender if we believe that their costs have increased by too much or we believe that the service we are receiving is not of the required standard.

Capital expenditure increased to £5,993k (2022: £862k). This was primarily due to the acquisition of Bay Tree Court to add to our estate. Bay Tree Court is a 59 bed care home located in the Prestbury area of Cheltenham. It has full residential facilities alongside assisted living accommodation and will ultimately allow Lilian Faithfull to offer our full range of services to the local community.

Financial assistance to those residents funded by local authorities grew as the increase in local authority rates have not kept in line with the significant inflationary cost increases as well other pressures in the market. Across the year financial assistance reached a maximum of £3.1m (2022: £1.5m). This is the annualised average difference between the break-even cost of caring for a resident and the rate the local authority pays.

The Charity's closing cash balance was £0.0m (2022: £0.7m), a reduction of £0.7m, this was the result of the very difficult trading conditions throughout much of the period being reported. As a result of the difficult trading conditions, we failed to achieve our bank covenants when they were tested at 31 December 2023 and 30 June 2024. Despite this, the bank has continued to be very supportive and is giving us the time and support we need to recover. As a result of the failure to meet the loan covenants, our bank loans are now presented as falling due within one year.

The Charity's surplus before depreciation and bank interest was £0.3million (2022: £1.3million) with the net deficit being £1.37m for the year (2022: surplus £461k).

Principal Funding Sources

The Charity's principal source of funding is from residents' fees. That includes residents who are self-funding, residents paying a proportion of their care costs as deemed by the local authority, residents fully funded by the local authority and residents funded by the

Clinical Commissioning Group. The Charity also received donations from local businesses, families and charitable events.

The Charity has received donations and other contributions to costs from various organisations such as the RAF Benevolent Fund, Civil Service Benevolent Fund, the Royal Agricultural Benevolent Fund, and the St Andrews Society. The support from these organisations is hugely appreciated by the Board of Trustees.

Investment Policy

During the year, the Charity maintained its financial investments under a portfolio managed externally. Within the year the fund management company changed name from Sanlam Wealth to atomos following an acquisition. In line with the investment policy, the primary objective is to preserve capital and generate prudent capital growth over the long term.

During the year the Finance Committee, with independent financial advice, conducted a review of the performance of the Charity's investment portfolio. The result was a modest increase to the risk level of the portfolio which is being implemented during 2023.

Towards the end of the period the investments were realised, and the cash used in the charity. As at the period-end, these investments were valued at £259k (2022: £598k), a drop of £339k, which was represented by an increase in value of £61k and a withdrawal of £400k. Since the period-end we have sold the remainder of the investments and used the funds in the charity.

Reserves Policy

The Trustees have previously examined the Charity's requirements for reserves in light of the main risks to the organisation. Providing care and effective support when it is needed is core to our mission at Lilian Faithfull Care, and therefore the reserves policy we have set is intended to ensure we are able to deliver on our aim and objectives. The policy is intended to ensure our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required.

The policy is that the unrestricted funds not assigned to tangible fixed assets and investment properties (assuming that loans part-fund those assets) held by the Charity should be sufficient to cover the essential operating costs of the Charity for a three-month period. The Trustees aim to set aside those reserves in order to protect the future operations of the Charity from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice.

During this financial period our level of reserves has fallen short of our policy objective. Total Charity Funds at 31 March 2024 were £9.4m (2022: £10.7m). Of those, Restricted Funds were £0.5m (2022: £0.5m) and Designated Funds were £0.0m (2022: £1.3m) leaving General Unrestricted funds at £8.9m (2022: £8.9m). Fixed assets and investment properties amounted to £19.3m in total (2022: £14.0m), of which £9.9m is deemed to be funded by loans (2022: £3.9m), leaving negative reserves of £0.5m (2022: negative £1.2m)

The reserves policy will be reviewed by the Finance Committee in the light of the Charity's new strategy and subsequently considered by the Board by the end of FY2025.

RISK MANAGEMENT

Risk management should form an integral part of the Charity's decision–making and be incorporated within strategic and operational planning. The Risk Committee is to review the Risk Management Strategy and present to the Board for approval.

The Risk Committee is to determine that there is a robust process in place for identifying, managing, and monitoring critical risks; oversee execution of that process; and ensure it is continuously improved as the business environment changes.

The Risk Committee has prepared a comprehensive Risk Register which has been approved by the Board. The Risk Register is regularly reviewed by the Risk Committee and the Board.

The Charity Trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Lilian Faithful Care was incorporated as a private company limited by guarantee under the Companies Act 1985 on 31 December 2007. The Company was also registered as a charity on 31 December 2007. The Company is governed by its Memorandum and Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £1. Following a change to the Memorandum and Articles of Association which were approved by the Charity Commission in January 2024, the members of the Charity are also the Trustees.

Subsidiaries

The Charity has a wholly-owned subsidiary, Lilian Faithfull Trading Limited, which is planning to contract with local authorities in respect of local authority-funded residents. Lilian Faithfull Homes Limited is a second wholly-owned subsidiary, which did not trade during the current or preceding financial year and is a dormant company.

Governance

The organisation follows the principles of the Charity Governance Code for larger charities. The organisation has a Governance Manual setting out its governance arrangements. The Governance Manual was approved by the Board in January 2023 and is reviewed annually to ensure that it follows best practice and is up to date. The Manual is currently being reviewed by the Governance Committee to be presented to the Board in November 2024 for approval. The Governance Manual contains a Scheme of Delegated Authority (SODA) which sets out the matters reserved to the Board and those delegated to the Board Committees and the Executive Team. The SODA is reviewed annually as part of the Governance Manual.

Trustees and Chief Executive

The Board of Trustees comprises up to twelve Trustees. At the beginning of 2023 there were eight Trustees. Following a recruitment process there were 12 Trustees appointed by June 2023. There was one resignation in March 2024 and a recruitment exercise is underway to appoint a replacement. The Governance Committee agrees an interview panel for the appointment of Trustees which recommends appointments to the Board ensuring that the recruitment process is formal, fair, rigorous and transparent. All eligibility checks are undertaken and an induction pack is provided to new Trustees.

Trustees are not entitled to receive any payment for the time spent on Trustee duties. The Board has agreed an expenses policy for Trustees to reimburse reasonable out-of-pocket expenses properly incurred in the performance of Trustee duties.

The Board of Trustees appoints the Chief Executive upon the recommendation of the People Committee. The People Committee agrees an interview panel for the appointment of Chief Executive and recommends appointments to the Board ensuring that the recruitment process is formal, fair, rigorous and transparent. Martin Hughes, resigned and left the Charity in November 2022. Suzanne Booker was appointed Interim Chief Executive with Kevin Snowball starting in April 2023.

The People Committee consider a remuneration and benefits framework (including pension arrangements) for the Chief Executive.

The Board Chair and Vice Chair set the Chief Executive's objectives and undertake the appraisal, the outcome of which is presented to the Board.

Committees

The Chair, with the People and Governance Committee, has undertaken a review of the Committee structure and terms of reference which have been approved by the Board of Trustees.

The Board has established the following Committees, which act within their agreed terms of reference, are:-

Finance Committee is to oversee financial aspects of the Charity. In addition, this Committee undertook a risk function until a suitable Trustee had been recruited to be Chair of a separate Risk Committee and at that time the risk functions will be undertaken by the Risk Committee.

Risk Committee is to oversee risk aspects of the organisation.

Care Committee is to focus on care and the HR aspects of our homes. The Care Committee is responsible for safeguarding and receives a comprehensive safeguarding report presented by the Director of Care with a root analysis and comments. This provides the Committee with an opportunity to look in detail at this report and to challenge and interrogate. The minutes of the Care Committee together with Safeguarding Report are presented to the Board to keep all Trustees informed. Any concerns raised by the Committee are reported to the Board.

People and Governance Committee is to monitor governance matters. This Committee is to have a broader consideration of HR / People aspects of the organisation which is not currently being looked at by other Committees. In February 2024 the Boad approved a proposal to split the People and Governance Committee into two separate Committees. This was due to the People Plan being developed and the ongoing need to monitor progress on this, the broad range of people topics and the level of their importance for the Charity together with the need to continue to improve the governance practices and documentation that had already begun, it is a better focus and more efficient to separate the two and create two Committees.

Estates Committee is to oversee estates aspects of the organisation.

Decisions

The Board has ultimately responsibility for decisions taken by the organisation. Committees give detailed consideration on matters within their respective terms of reference and report to the Board of Trustees after each meeting. The Scheme of Delegated Authority sets out the matters delegated to each Committee.

Fundraising disclosures

The Charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Lilian Faithfull Care for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United

Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company, enables them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the Audit report) of which the Charity's auditor is unaware.

Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Trustees' report comprising the Strategic Report and other information was approved by the Trustees on and signed on their behalf by:

By order of the Board



.....
F Spencer
Chair of Trustees

Date 27 November 2024

Opinion
We have audited the financial statements of Lilian Faithfull Care for the period ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the period 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 Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statement and our auditor's report thereon. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity's audit. We remain solely responsible for our audit opinion.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

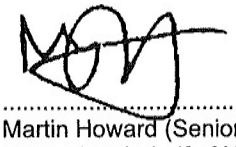
In identifying and assessing risks of material mis-statement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the period to 31 March 2024 has been undertaken;
- Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
- Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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.



.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 2 December 2024

	Note	Unrestricted funds	Restricted funds	Total funds 15 months to 31 March 2024
		£	£	£
INCOME				
Income from:				
Donations and legacies	2	48,120	30,174	78,294
Charitable activities	3	18,909,479	-	18,909,479
Investments	4	572,647	-	572,647
Other income	5	93,918	-	93,918
Total income		19,624,164	30,174	19,654,338
Expenditure on:				
Raising funds:				
Investment manager's fees		9,599	-	9,599
Charitable activities		21,048,069	-	21,048,069
Total expenditure	6	21,057,668	-	21,057,668
Net gains/(losses) on investments		61,934	-	61,934
Transfer between funds		60,000	(60,000)	-
Net movement in funds		**(1,311,570)**	**(29,826)**	**(1,341,396)**
Reconciliation in funds				
Total funds brought forward		10,193,661	533,969	10,727,630
Net movement in funds		(1,311,570)	(29,826)	(1,341,396)
Total funds carried forward		**8,882,091**	504,143	9,386,234

The notes on pages 24 to 37 form part of these financial statements.

LILIAN FAITHFULL CARE
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE PERIOD ENDED 31 MARCH 2024

	Note	Unrestricted funds	Restricted funds	Total funds Year ended 31 December 2022
		£	£	£
INCOME				
Income from:				
Donations and legacies	2	51,412	871,515	922,927
Charitable activities	3	12,749,979	-	12,749,979
Investments	4	126,539	-	126,539
Other income	5	23,341	-	23,341
Total income		12,951,271	871,515	13,822,786
Expenditure on:				
Raising funds:				
Investment manager's fees		5,707	-	5,707
Charitable activities		12,950,596	337,546	13,288,142
Total expenditure	6	12,956,303	337,546	13,293,849
Net (losses)/gains on investments		(67,657)	-	(67,657)
Net movement in funds		**(72,689)**	**533,969**	**461,280**
Reconciliation in funds				
Total funds brought forward		10,266,350	-	10,266,350
Net movement in funds		(72,689)	533,969	461,280
Total funds carried forward		10,193,661	533,969	10,727,630

The notes on pages 24 to 37 form part of these financial statements.

LILIAN FAITHFULL CARE
BALANCE SHEET (Company Number: 06461263)
AS AT 31 MARCH 2024

	Note	2024 £	2022 £
FIXED ASSETS			
Tangible assets	11	17,400,493	12,402,053
Investments	13	259,643	597,987
Investment property	12	1,932,388	1,599,271
Total fixed assets		19,592,524	14,599,311
CURRENT ASSETS			
Debtors	14	1,614,726	740,886
Cash at bank and in hand		12,767	633,063
		1,627,493	1,373,949
CREDITORS			
Amounts falling due within one year	15	(11,833,783)	(2,125,333)
NET CURRENT (LIABILITIES) / ASSETS		10,206,290	(751,384)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,386,234	13,847,927
CREDITORS			
Amounts falling due after more than one year	16	-	(3,120,297)
TOTAL NET ASSETS		9,386,234	10,727,630
CHARITY FUNDS			
Restricted funds	19	504,143	533,969
Unrestricted funds	18	8,882,091	10,193,661
Total funds		**9,386,234**	**10,727,630**

Approved by the Board for issue on 27-11-24

.....
F Spencer - Trustee

The notes on pages 24 to 37 form part of these financial statements.

LILIAN FAITHFULL CARE
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2024

	Note	£	2024 £	£	2022 £
Cash used in operating activities					
Net cash provided by operating activities	**21**		(358,836)		1,666,003
Cash flows from investing activities					
Dividends, interests and rents from investments		572,647		126,539	
Purchase of tangible fixed assets		(5,993,931)		(1,880,139)	
Proceeds from sale of tangible fixed assets		32,504		14,464	
Proceeds from sale of investments		829,021		412,246	
Purchase of investments		(9,409)		(419,604)	
Investment property additions		(1,385,366)		(36)	
Withdrawal of investment		565,819		-	
Cash used in investing activities			(5,388,715)		(1,746,530)
Cash flows from financing activities					
Advance of bank loan			6,475,000		-
Bank interest paid			(728,421)		(116,163)
Repayments of borrowings			(474,357)		(244,028)
Net cash provided by / (used in) in financing activities			**5,272,222**		(360,191)
Change in cash and cash equivalents in the year			**(475,329)**		**(440,718)**
Cash and cash equivalents brought forward			651,405		1,092,123
Total cash and cash equivalents carried forward	**22**		**176,076**		**651,405**

The notes on pages 24 to 37 form part of these financial statements.

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, adopting the following principal accounting policies all of which are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS102) issued in July 2014 and The Companies Act 2006.

The financial statements are presented in Pounds Sterling.

Company status

The Charity is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The company is subject to the requirements of the Companies Act 2006 with regards to the form and content of the financial statements.

The Charity is a private company, limited by guarantee (company no. 06461263 England and Wales) without share capital, and registered with the Charity Commission (registered number 1122183 in England and Wales).

The address of its registered office is:
Ground Floor West
Festival House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

This is also the registered address of its subsidiaries Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited.

Consolidated financial statements

The financial statements do not include the consolidated financial results of the Charity and its subsidiary companies, Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited, on the grounds that the subsidiary company's results are immaterial to the group.

Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For long term finance the charity relies on bank loans, as disclosed in notes to the financial statements. In assessing going concern the Trustees have assumed that these bank loans will not be repaid for the foreseeable future (in line with the signed bank loan agreement) and are not aware of any circumstances that may adversely affect the renewal of these facilities. In preparing the financial statements, the Trustees have considered the potential impact of the ongoing Covid-19 pandemic on the going concern status of the Charity and have determined the impact on current and future performance of the Charity is minimal. The factors considered by the Trustees are documented in more detail within the Trustees report. The Trustees consider that there are no material uncertainties over the Charity's financial viability and, accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes; or
- Unrestricted designated funds, that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements; or
- Restricted funds, which are donations or legacies received where the donor has specified use solely for particular areas of the Charity's work or for specific projects undertaken. The specific restriction on each fund is set out in the financial statements.

ACCOUNTING POLICIES (continued)

Incoming resources

Investment income is recognised when received, or if declared and receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes home income recognised as earned (as the related goods or services are provided) under contract.

Rental income is included in the year in which it is receivable. Rent receivable from the investment property is classified as investment income.

Resources expended

Expenditure is accounted for as charitable activities being the provision of care. Within provision of care, costs are allocated between direct provision of care costs and support costs. The irrecoverable element of Value Added Tax is included with the item of expense to which it relates. Depreciation is allocated to expenditure headings on the basis of the use of the assets concerned.

Governance costs include cost of constitutional and statutory requirements, cost of Trustee meetings and the cost of any legal advice to the Trustees on governance or constitutional matters and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage.

Costs of raising funds are costs payable to third party investment managers that manage the Charity's investment portfolio.

Government grants

Grants from government bodies are reviewed for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received, and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

Taxation

The Company is an Exempt Charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 519 of the Income Tax Act 2007 (formerly Section 506(1) of the Taxes Act 1988). Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 524 of the Income Tax Act 2007 (formerly Section 505 of the Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Tax 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Ongoing projects may have additional costs below this value however they are capitalised as the overall cost of the project is over £1,000.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives in the following bases:

Freehold land	Nil
Freehold buildings	2 - 5% of cost per annum
Leasehold improvements	In line with the underlying lease
Fixtures and equipment	20% of cost per annum
Motor vehicles	20% of cost per annum

Investments

Fixed asset investments are included at market value at the Balance Sheet Date.

Gains and losses represent the movement in market values during the year and are credited of charged to the Statement of Financial Activities.

Unlisted investments are shown at cost unless there is a permanent diminution in value.

Investment Property

Investment properties are stated at freehold market value in the Balance Sheet at the reporting date. An independent professional third-party valuation is carried out at least every five years and prepared on an informal basis in the intervening period. Gains or losses are taken to the Statement of Financial Activities. No depreciation is charged on investment properties.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with financial institutions.

Debtors

Trade, other debtors and accrued income are recognised at the settlement amount due, and prepayments are valued at the amount prepaid.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors, taxation and social security, wages and salaries, other creditors and accruals are recognised at their settlement amount. Bank loans are recognised at amortised cost using the effective interest method.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors, creditors and loans. All investments held by the Charity also qualify as basic financial instruments.

Pension costs

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

ACCOUNTING POLICIES (continued)

Redundancy costs

Redundancy costs arising from periodic reviews of staff levels are charged to the Statement of Financial Activities in the year in which the Charity is demonstrably committed to the employees leaving the Charity.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to consider making significant judgements and estimates where necessary. The areas in which significant judgements and estimations have been made comprise of depreciation and the recoverability of debtors, and investment property valuation.

Useful economic lives of tangible fixed assets
The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See Note 11 for the carrying amount of the tangible fixed assets and above for the useful lives of each class of asset.

Impairment of debtors
The Charity makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Investment property valuation
The Charity will periodically engage third party experts to provide, and independent valuation of the investment properties held.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total funds 15 months to 31 March 2024	Total funds 12 months to 31 December 2022
	£	£	£	£
Donations				
General donations	48,120	30,174	78,294	615,693
Government grants	-	-	-	307,234
Total 2024	48,120	30,174	78,294	922,927

There has been no income received from government grants in the current year. In the prior year, £148,326 of Infection Control Grant and £158,908 related to the Workforce Retention and Recruitment Fund were received.

The majority of general donations in the prior year related to assets received on the merger of the charity with Catharine Ball Almshouses. This was non-recurring, and amounts received this year are general donations.

A small number of donations were received in the period to 31 March 2024 which are restricted due to them being gifted for specific projects/items.

3 PROVISION OF CARE

	15 months to 31 March 2024 £	12 months to 31 December 2022 £
Residents' fees	18,865,153	12,715,196
Contributions to running costs	15,616	11,248
Charity shop income	28,710	23,535
	18,909,479	12,749,979

Provision of care was unrestricted during this and the prior year.

4 INVESTMENT INCOME

	15 months to 31 March 2024 £	12 months to 31 December 2022 £
Rental income	571,146	112,186
Income from listed investments	1,501	13,893
Interest receivable	-	460
	572,647	126,539

5 OTHER INCOME

The analysis of the Charity's other income for the year is as follows:

	15 months to 31 March 2024 £	12 months to 31 December 2022 £
Voluntary income, other income, gift aid	93,918	23,341
	93,918	23,341

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

	Activities undertaken directly 2024 £	Support costs 2024 £	15 months to 31 March 2024 £	12 months to 31 December 2022 £
Care costs	9,366,798	-	9,366,798	6,186,919
Welfare	6,103,662	-	6,103,662	3,830,858
Premises	3,137,802	-	3,137,802	1,975,967
Support costs	-	2,449,406	2,449,406	1,300,105
Total	18,608,262	2,449,406	21,057,668	13,293,849

Analysis of direct costs

	Care Costs 2024	Welfare 2024	Premises 2024	15 months to 31 March 2024	12 months to 31 December 2022
	£	£	£	£	£
Staff costs	8,152,138	3,488,237	204,355	11,844,730	7,035,793
Depreciation	-	-	865,958	865,958	630,398
Contract catering	-	770,231	-	770,231	530,893
Establishment costs	-	-	1,088,276	1,088,276	538,430
Repairs and maintenance	-	-	979,213	979,213	664,944
Advertising	-	84,600	-	84,600	53,726
Office expenses	-	315,061	-	315,061	121,765
Subscriptions and publications	-	34,549	-	34,549	23,353
Equipment hire	-	27,841	-	27,841	20,037
Residents' welfare and activities	-	107,499	-	107,499	62,289
Cleaning, medical costs, uniforms	-	173,318	-	173,318	117,419
Motor expenses	-	50,028	-	50,028	28,013
Other employment costs	-	391,497	-	391,497	241,510
Irrecoverable VAT	-	369,251	-	369,251	55,296
Agency costs	1,214,660	291,550	-	1,506,210	1,869,878
Management charge	-	-	-	-	13,118
Total	9,366,798	6,103,662	3,137,802	18,608,262	12,006,862

Analysis of support costs

	Care costs 2024	15 months to 31 March 2024	12 months to 31 December 2022
	£	£	£
Staff costs	1,218,558	1,218,558	918,455
Printing, postage and stationery	35,494	35,494	31,865
Legal and professional costs	198,962	198,962	109,871
Bank charges & interest	773,091	773,091	129,054
Governance costs	15,202	15,202	15,360
Depreciation	97,029	97,029	82,382
Bad debt provisions	111,070	111,070	-
	2,449,406	2,449,406	1,286,987

Governance costs comprise auditor's remuneration of £15,030 (2022 - £15,360) and Trustees' expenses of £172 (2022 - £Nil).

7 TAXATION

The company is a registered charity and is therefore entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

8 AUDITOR'S REMUNERATION

	15 months to 31 March 2024 £	12 months to 31 December 2022 £
Fees payable to the Company's auditor for the audit of the Company's Annual accounts	15,900	15,600
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	3,300	3,120
	19,200	18,720

9 EMPLOYMENT COSTS

	15 months to 31 March 2024 £	12 months to 31 December 2022 £
Wages and salaries	11,932,425	7,248,746
Social security costs	831,781	560,424
Contribution to defined contribution pension schemes	232,764	145,078
	12,996,970	7,954,248

During the year, 0 (2022 – 2) Redundancy and Termination payments (including salary, notice and accrued holiday pay) were made, totalling £nil (2022 - £15,350).

The average number of persons employed by the Company during the year was as follows:

	2024 No.	2022 No.
Head count	430	388

The number of employees whose employee benefits exceeded £60,000 was:

	2024 No.	2022 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£100,001 - £110,000	1	-

The key management personnel (other than the Trustees who are not remunerated) of the Charity are the Chief Executive Officer, the Director of Care, Director of Human Resources and the Director of Finance. The remuneration for this team totals £351,902 (2022 - £277,126). This includes gross salary, benefits and employer's pension contributions.

10 TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £Nil).

During the year ended 31 March 2024, expenses totalling £172 were reimbursed or paid directly (2022 – £Nil).

11 TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Improvements	Motor Vehicles	Fixtures and Equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2023	12,312,450	25,010	205,781	4,641,385	17,184,626
Additions	5,432,423	-	17,500	544,008	5,993,930
Disposals	(33,301)	(21,008)	-	-	(54,309)
At 31 March 2024	17,711,572	4,002	223,281	5,185,393	23,124,247
Depreciation					
At 1 January 2023	1,214,356	7,925	161,195	3,399,097	4,782,573
Charge for the year	326,656	10,358	20,443	605,530	962,987
Eliminated on disposal	(6,791)	(15,014)	-	-	(21,805)
At 31 March 2024	1,534,221	3,269	181,638	4,004,627	5,723,755
Net book value					
At 31 March 2024	16,177,351	733	41,643	1,180,766	17,400,493
At 31 December 2022	11,098,094	17,085	44,586	1,242,288	12,402,053

12 INVESTMENT PROPERTY

	Freehold Investment Property
	£
Valuation	
At 1 January 2023	1,599,271
Additions	1,385,366
Disposals	(1,052,249)
At 31 March 2024	1,932,388

The Trustees have reviewed the value of the investment properties and consider that costs represent the fair value at 31 March 2024. The investment properties are valued by an independent, third party valuer on a quinquennial basis.

Royal Garden Flats was last valued based on an adjusted net rental income capitalisation approach on 11 January 2021 by Philip J Pratt BSc MRICS of Alder King LLP. As he is a related party, the Trustees of the Finance Committee have approved the valuation on behalf of the Board.

During the year, Tredwells Court was sold for £829,021, resulting in a loss on disposal of £223,227.

13 FIXED ASSET INVESTMENTS

	Investments In Subsidiary company £	Listed Investments £	Total £
Cost or valuation			
At 1 January 2023	100	597,887	597,987
Additions	-	9,409	9,409
Disposals	-	(400,000)	(400,000)
Revaluations	-	52,247	52,247
Movement on cash held for reinvestment	-	-	
At 31 March 2024	100	259,543	259,643

At year end cash held by the investment managers totalled £163,309 (2022 – £17,158).

Lilian Faithfull Trading Limited is a wholly owned subsidiary of the Charity and manages the Local Authority care contracts. Lilian Faithfull Trading Limited made neither profit nor loss and as at 31 March 2024, the entity had total net assets of £3,359 (2022 - £1,029).

Lilian Faithfull Homes Limited is a second wholly owned subsidiary. Lilian Faithfull Homes Limited did not trade during the current or preceding financial year and is a dormant company.

Both entities have the same registered office as Lilian Faithfull Care.

14 DEBTORS

	2024 £	2022 £
Trade debtors	254,007	458,403
Other debtors	25,220	2,636
Prepayments and accrued income	1,213,342	169,483
Amounts owed by group undertakings	122,157	110,364
	1,614,726	740,886

Prepayments and accrued income included £829,021 (2022 - £nil) in respect of accrued income on the sale of Tredwells Court. This was received in April 2024.

15 CREDITORS – amounts falling due within one year

	2024 £	2022 £
Bank loans	9,902,991	782,051
Bank overdraft	20,157	-
Trade creditors	686,346	390,820
Other taxation and social security	344,504	289,464
Other creditors	727,530	554,537
Accruals and deferred income	152,255	108,461
	11,833,783	2,125,333

16 CREDITORS – amounts falling due after more than one year

	2024 £	2022 £
Bank loans	-	3,120,297

Included within the above are amounts falling due as follows:

	2024 £	2022 £
Between one and two years		
Bank loans	-	232,395
Between two and five years		
Bank loans	-	2,887,902
Over five years		
Bank loans	-	-

As at 31 March 2024, the charity had not passed financial covenants, and therefore the loans fell due for repayment within one year, as no waiver had been received by the bank pre year end. There are no indications that the bank will look to recover its monies imminently however.

The first loan is secured by legal charge over both Royal Court, Fiddler's Green, Cheltenham, Gloucestershire and St Faith's Nursing Home, Malvern Road, Cheltenham, Gloucestershire, and bears a margin rate of 1.58% over base rate. The second loan is secured by means of a legal charge over Resthaven Nursing Home, Pitchcombe, Stroud, Gloucestershire, and bears a margin rate of 1.95% over base rate. The third loan has no additional securities to those already listed and bears a margin rate of 1.7% over base rate. For the two new loans taken out within the 2024 period, these have interest rates of 1.7% over Margin and 6.95% respectively, and are secured over Bay Tree Court.

17 FINANCIAL INSTRUMENTS

	2024 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	227,869	597,887

Financial assets measured at fair value through income and expenditure comprise listed investments. All other financial assets and liabilities are measured at amortised cost.

18 FUNDS

	At 1 January 2023	Incoming resources	Outgoing resources	Transfers	Gains / (losses)	At 31 March 2024
	£	£	£	£	£	£
Designated funds						
Emergency Maintenance Fund	750,000	-	-	(750,000)	-	-
Assisted Places Fund	500,000	-	-	(500,000)	-	-
	1,250,000	-	-	(1,250,000)	-	-
General funds						
Free Reserves	(1,155,315)	19,624,164	(21,057,668)	1,979,086	61,934	(547,799)
Tangible fixed assets	8,499,705	-	-	(1,002,203)	-	7,497,502
Investment property	1,599,271	-	-	333,117	-	1,932,388
Merger reserve	-	-	-	-	-	-
	8,943,661	19,624,164	(21,057,668)	1,310,000	61,934	8,882,091
Total unrestricted funds	**10,193,661**	**19,624,164**	**(21,057,668)**	**60,000**	**61,934**	**8,882,091**

The £60,000 transfer above represents a transfer from restricted funds, as explained further in note 19.

19 RESTRICTED FUNDS

	At 1 January 2023 £	Incoming resources £	Outgoing resources £	Transfer in the year £	At 31 March 2024 £
Donations	533,969	30,174	-	(60,000)	504,143
	533,969	30,174	-	(60,000)	504,143

Restricted Funds

Donations
Donations brought forward relate to assets acquired when Lilian Faithfull Care merged with Catharine Ball Almshouse. A small number of donations were received in the period to 31 March 2024 which are restricted due to them being gifted for specific projects/items. During the year, £60,000 was spent on two of the flats using these restricted donations, and a transfer with unrestricted funds occurred.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2024	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2022
Tangible fixed assets	16,866,524	533,969	17,400,493	12,402,053
Fixed asset investments	259,643	-	259,643	597,987
Investment property	1,932,388	-	1,932,388	1,599,271
Current assets	1,597,320	30,174	1,627,494	1,373,949
Creditors due within one year	(11,833,784)	-	(11,833,784)	(2,125,333)
Creditors due in more than one year	-	-	-	(3,120,297)
Transfers in the year	60,000	(60,000)	-	-
Total	8,882,091	504,143	9,386,234	10,727,630

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2022 £
Net income for the period	(1,341,396)	461,280
Adjustments for:		
Depreciation charges	962,987	712,780
Losses/(gains) on investments	(61,934)	67,657
Finance costs	762,828	123,446
Loss on disposal of tangible fixed assets	208,243	536
Dividends, interests and rents from investments	(572,647)	(126,539)
Non cash income received	-	500,000
(Increase)/decrease in debtors	(873,840)	(114,858)
Increase/(decrease) in creditors	556,923	41,701
Net cash (absorbed by) / provided by operating activities	(358,836)	1,666,003

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2022 £
Cash in hand	12,767	633,063
Cash held for reinvestment	163,309	18,342
Total cash and cash equivalents	**176,076**	**651,405**

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2023 £	Cash flows £	Non cash movements £	At 31 March 2024 £
Cash at bank and in hand	651,405	(475,329)	-	176,076
Debt due within 1 year	(782,051)	(5,955,007)	(3,165,933)	(9,902,991)
Debt due after 1 year	(3,120,297)	-	3,120,297	-
	(3,250,943)	(6,430,336)	(45,636)	(9,726,915)

24 PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Charity to the scheme and amounted to £232,764 (2022 - £145,078). At the end of the period outstanding contributions amounted to £34,698 (2022 - £Nil). All pension charges are charged to unrestricted funds, in line with the fund out of which the wages and salaries are paid.

25 OPERATING LEASE COMMITMENTS

At 31 March 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2022 £
Land and buildings		
Within 1 year	75,210	95,775
Between 1 and 5 years	6,729	27,293
After more than 5 years	68,964	108,268
Total	150,903	231,336
Plant and machinery		
Within 1 year	112,542	112,542
Between 1 and 5 years	370,219	403,535
After more than 5 years	145,399	252,684
Total	628,160	768,761

26 RELATED PARTY TRANSACTIONS

At 31 March 2024 the Charity was owed £122,157 (2022 – £110,363) by Lilian Faithfull Trading Limited, its subsidiary undertaking. The loan is interest free and has no fixed repayment terms.

LILIAN FAITHFULL CARE

England & Wales - Charity number 1122183

Accounts

Registered Charity No: 1122183
Company Number: 06461263

LILIAN FAITHFULL CARE

TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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Name of Charity	Lilian Faithfull Care
Charity Number	1122183
Company Registration Number	06461263
Registered Office	Ground Floor West Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Principal Office	Ground Floor West Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Trustees	Fiona Spencer, Chair (Appointed 15 June 2022) Janet Ballinger (Retired 15 June 2022) Alan Bishop Fiona Court Elizabeth Fox (Retired 15 June 2022) Sandra Harding (Appointed 4 January 2023) Gareth Parry Phillip Pratt Gill Pyatt (Chair, Retired 15 June 2022) Martyn Smith Emma Morgan (Appointed 18 May 2023) Leaine Thompson (Appointed 18 May 2023) Eve Russell (Appointed 30 May 2023) Adam Watts (Appointed 12 June 2023) Dame Janet Trotter
Company Secretary	Gareth Parry (Resigned 12 June 2022) Martin Wood (Appointed 12 June 2022)
Chief Executive	Martin Hughes (Left 30 November 2022) Kevin Snowball (Started 17 April 2023) Suzanne Booker Interim Chief Executive (21 November 2022 to 16 April 2023)
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham Gloucestershire GL50 3AT

Bankers	Barclays Bank PLC 128 High Street Cheltenham Gloucestershire GL50 1EL
Solicitors	BPE St James House St James Square Cheltenham Gloucestershire GL50 3PR
Investment Managers	atomos One Temple Quay 1 Temple Back East Bristol BS1 6DZ

The Trustees of Lilian Faithfull Care present their Annual Report for the year ended 31 December 2022 in accordance with FRS 102, the Charities SORP (FRS 102), the Companies Act 2006, the Charities Act 2011 and the Care Quality Commission. The Trustees are also approving the Strategic Report in their capacity as company directors.

OBJECTIVES AND ACTIVITIES

Our Aim and Public Benefit

The Trustees of Lilian Faithfull Care have the ultimate responsibility for the wellbeing of the Charity, they also set the tone for the way the Charity presents and conducts itself.

Our Charity's aim, as set out in the objects contained in the Charity's Memorandum and Articles of Association, is "to relieve elderly persons in necessitous circumstances upon terms appropriate to their means, and to provide for aged persons in need thereof, accommodation and any associated amenities specifically designed or adapted to meet the disabilities and requirements of such persons".

Our public benefit can therefore be summarised as to provide a safe, friendly and supportive environment for older people at our affordable housing, assisted living, day hubs, warm spaces and meeting centres, residential, nursing homes, and community facilities across the County of Gloucestershire.

Under company law the Directors of the Company acting as Trustees should ensure that the Charity offers an appropriate range and quality of care for older people in accordance with the Company's Memorandum & Articles of Association. The Trustees must also ensure that resources are utilised in accordance with any legal obligations laid down by statute, HMRC, other Government agencies, Companies House and the Charity Commission.

Everyone who works for the Charity has a responsibility to be mindful of the great legacy Lilian Faithfull entrusted to us to steward for our successors.

Ensuring Our Work Delivers Our Aim

We review our aim, objectives and activities regularly looking at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aim and objectives they have set.

Strategic Objectives

Our 2022-2026 strategic pillars are as follows:

- Attracting, retaining and developing competent and compassionate staff.

- Working collaboratively with families, health professionals and community/business partners.
- Ensuring we manage and develop the estate to meet the changing needs of our beneficiaries.
- Managing our finances and operations effectively and prudently.
- Achieving the highest standards of corporate governance and communication.
- Building on research and evidence to support innovation and change.

A full strategy review is planned for later in 2023 to reassess the medium- and longer-term direction for the Charity.

ACHIEVEMENTS AND PERFORMANCE

For 2022 the strategic pillars translated to the following key objectives with their outcomes and actions:

Core Activity:

- **Ensure all our homes continue to be CQC compliant**

Our homes were inspected under the Care Quality Commission's Infection Protection Team and all five homes received positive feedback.

All our homes remain rated "Good" by our CQC regulator. However, in March 2023, the CQC downgraded Astell House to "Requires Improvement". We have submitted to the CQC a report on the actions we plan to take for when this home is reinspected in three months' time. An external CQC Inspector conducted mock CQC inspections to ensure we monitor and maintain standards.

New CQC Standards will be rolled out in 2023 and we have joined their pilot projects to assist with the development of the Standards from a provider and multi-disciplinary prospective.

- **To achieve occupancy levels of at least 88%**

Occupancy for the year closed at 84.5%. This is above industry average but below our target with levels impacted in November and December by Covid and influenza.
We liaised extensively with our partners in the NHS and local authority to help wherever we could.

System1 has been a great benefit to our staff and residents in supporting their healthcare needs. This is a clinical computer system which communicates between health and social care organisations updating resident health records. It provides a shared record across all health care settings and improves rapid response of medical requirements when needed.

- **Generating a reasonable surplus to enable re-investment in the Charity and its staff**

Our surplus was 3% of income.

We increased staff wages for the tenth consecutive year whilst continuing investment in our facilities and new equipment for the benefit of our residents.

People, Development and Training:

In 2022 we expanded our programme with the University of Gloucestershire offering placements to degree students on healthcare courses. For the first time we welcomed

paramedic students on placements in addition to nurses and physiotherapy students. Students work alongside our staff who are trained as mentors and the partnership continues to enrich the life of the homes.

Through continuous investment in training a member of our staff successfully qualified as a Nursing Associate. We have three further staff who have enrolled onto this course. We have a clearly defined progression matrix communicated to all staff; we promote succession planning and look at restructuring where needed as the Charity grows.

The wellbeing of our staff is achieved through effectively communicating a wide range of benefits in our staff forums and monthly HR and Training clinics held in each home.

We offer free counselling, menopause support, mental health training and are subscribed to an employee assistance programme.

We continue to benchmark wages and benefits to compete with market trends. Challenges facing the industry on staffing and recruitment is the fallout of Covid and the increasing cost of living. This is reflected in staff taking early retirement and changes of direction in careers.

Increasing our profile across the County:

Through events and promoting our charitable work we continue to build awareness of our Charity in the County.

We are well represented on external bodies and have been invited to pilot a number of initiatives and projects within the integrated care systems.

In June we opened our first charity shop "Faithfull Vintage and Treasure" which is located in the heart of Tewkesbury High Street. It has been successful not only in raising funds but also raising the profile of the Charity's work. The Estates team brought into life the vision of a welcoming and modern space providing an affordable and sustainable place to shop.
Thank you to the generosity of everyone who has donated clothing, gifts, books homeware and toys and the volunteers who have supported the staff.
The shop has been instrumental in staff and volunteer recruitment, together with promotion of our care facilities.
A member of an ex-resident's family has given a substantial donation to the Charity via the shop for the green space at Resthaven. An eco-friendly accessible nature walk and pond for biodiversity will be created.

Working collaboratively with community / business partners:

We created a partnership with a local church, St Phillips and St James, to assist and support with a new dementia café for the community of Charlton Kings and Leckhampton.

Our families of guests who attend the Secret Garden Day Centre have found this facility a safe space where they can share their stories and develop techniques in caring for their loved ones on their dementia journey.

In collaboration with Engaged Now we have established a safe, warm space, open one afternoon a week, where people within the community of Uplands in Stroud can come and meet others to assist with combatting loneliness.

Growth and Development - Explore the opportunity to grow the Charity through acquisition of suitable facilities:

In August we were delighted to merge with a local charity, Catharine Ball Almshouses, which has four one-bedroom apartments in a single property in Leckhampton, Cheltenham.

The property is now known as Catharine Ball House.
We are currently in the process of refurbishing the apartments. Part of the refurbishment plans include eco-friendly alternatives.

Planning for the purchase of Bay Tree Court in Prestbury, a purpose-built home with independent living flats and bungalows within the grounds, was undertaken in 2022.

This acquisition was completed on 1 February 2023 and will enhance our reach into the village community and will future proof our property portfolio.

Properties and services - ensuring they are always fit for purpose:

The Fairhaven Suite, a specialist end of life care suite at St Faith's, opened in June 2022.
It has nine spacious suites offering privacy, comfort, and peace for adults in their final days, weeks or months. A key part is the support, space, and facilities it offers to families and friends, enabling them to spend quality time with their loved ones.
This specialist end-of-life care is in addition to the end-of-life care already offered at St Faith's and across the Charity.
Below is some of the most recent feedback from families which is heart-warming for our teams who work so hard to care for our residents:-
"A massive thank you to everyone at St Faiths for the care, attention, love and support during our mums care and end of life."
"As a large family we cannot thank everyone enough for the care, welcoming, flexibility and support provided to both mum and 4 of us daughters and one of her sons as well as partners and grandchildren! The opportunity to be so welcomed and looked after and ultimately the opportunity to be there for mum is such an incredible comfort."
"My husband was only at St Faith's for a few weeks, where he eventually received end-of-life care. I cannot praise the staff enough for the care given to him. He was treated with compassion and dignity by all the staff. My special thanks must go to his assigned care worker and also the doctor in his final hours. This was a very distressing time for myself and my family, but we were kept fully informed, and nothing was too much trouble. We couldn't have asked for more."

We assessed the benefits of the extra-care service at Royal Court and increased our bed capacity from five to 11. This has had a positive impact on person-centred care for each individual in a small, personalised home setting.

Investigate technology in care:

We are involved in the Virtual Ward Project run by the NHS and social care.
This is about the use of technology and acute monitoring and treatment within the care home. This will aid recovery, coordinate care in the home and can support early discharges for Strokes, IV Therapy, Heart Failures and Therapy.
The technology will also assist to rapidly evaluate any changes and adaptions required. The challenges are training, recruitment of staff and maintaining the frailty service across the integrated care system.

We have commissioned external training to improve end of life communication.

A significant step forward in 2022 was the introduction of 'electronic medication administration records' (EMar) which was piloted at Faithfull House and rolled out across the Charity. It replaces the previous paper-based system used to manage medication and increases safety, efficiency and auditability.

Planning and preparation also took place in 2022 for the next major project, to introduce electronic care plans, which will be introduced in 2023.

HOW OUR ACTIVITIES ACHIEVE OUR AIM AND PUBLIC BENEFIT

The Charity is one of the largest providers of social care for the elderly in Gloucestershire. The local authority and the regulator deem us a 'difficult to replace' care provider – this means that our services are vital to the community and the County.

Our aim is to provide care and support for our residents and families irrespective of financial means.

The Charity has navigated the challenge that many charities have not managed, in that balancing providing excellent care, increasing wages and increasing our supported residents whilst ensuring we remain a very stable place to live and work.

We supported residents with limited resources to the tune of £1.5million in 2022, increased from £1.2million in 2021.

The Charity stands by its commitment of 'A Home for Life' as we ensure that all our residents stay with us irrespective of their financial status. Those with little or no financial resources can apply to Social Services to pay the bulk of their fees. However, the amount that Social Services will pay is less than the actual cost of providing the required care. In the absence of help from family or other sources of support, such residents will have a shortfall in fees made up from the Charity's own resources. We will not ask any resident to leave due to a financial circumstance.

Considering the guidance from the Charity Commission, we demonstrate our public benefit by providing care, catering and staffing levels above industry standards and a Home for Life alongside:

- Our number of supported residents has increased by 120% since 2014. (43 vs. 95 residents).
- We provide emotional support and guidance through our MAST groups and Day Care.
- We continue to work closely with our colleagues in the NHS and Gloucestershire County Council to ease demand in the hospitals and help with short-term support.

Looking to the future, research from the local authority tells us to expect the number of older people aged 65 and over in Gloucestershire to continue to rise at a faster pace than nationally, rising from 126,800 in 2015 to 206,300 by 2039. An estimated 25,400 older people have a long-term illness or disability that limits their day-to-day activities. The number is predicted to rise to 39,000 by 2030. An estimated 12,700 people aged 65+ in Gloucestershire feel lonely always or often. The number of people living alone is estimated to increase by about a fifth.

This means that more people are likely to need support; research shows that when people are isolated and lonely their wellbeing is affected and they are more likely to need health and social care services in the future.

Our active liaison with local community groups and with Social Services has helped significantly in reducing those concerns and has created better local understanding of our work. We are very grateful for the community support the Charity receives from local businesses, schools and organisations which enhances our residents lives on a daily basis.

EFFECT OF COVID-19 DURING 2022 AND ACTIONS THE CHARITY UNDERTOOK

The Charity continued to adopt its very cautious approach throughout the year and experienced very small numbers of infections with staff and residents.

We continue to ensure that we purchase all the PPE, infection control equipment needed and undertake significant and regular testing throughout all our homes.

FEEDBACK ON THE CARE WE PROVIDE

The Charity estimates that our work touches the lives of approximately 1,000 people every day in our County, be that residents, families, staff, doctors as well as many others.

Feedback tells us how important our Charity is in the County and some of the most recent feedback from families is heart-warming for our teams who work so hard to care for our residents.

Review of Astell House from a daughter of a resident:

"Astell House and its staff have been absolutely wonderful to my mother. She has spent the last four and a half years there, and we couldn't be happier with the care she has received. The staff, the staff, the staff! I don't feel I should call them staff; I should be calling them "family". They are the most wonderful group of caring professionals I have ever met. I feel truly grateful that my mother has been surrounded by such a fantastic bunch of human beings. Thank you."

Review of Faithfull House from a daughter of a resident:

"My mother has been at Faithfull House for many years and has always been happy and well taken care of. Her room is beautiful and kept clean, her laundry is done promptly (nothing has ever been lost). She has never been spoken to unkindly or treated disrespectfully. "She loves the garden and says the food is good. She has been taken on many day trips and even on holiday. Faithfull House is a great place to spend your final years."

Review of Resthaven from a daughter of a resident:

"Mum has just completed a respite stay at Resthaven - we referred to it as her holiday and it certainly proved to be so, as well as some needed downtime for us. The communal eating and activities certainly sparked flashes of the old mum, who always enjoyed getting involved with her local community. The stimulation of other people around prompted more interaction and engagement than we've seen for over a year. Equally, she could stay in her room for some quiet time if she preferred, so very flexible around the resident's needs. Ideal. All the staff we met were kind and helpful in answering any questions or concerns we had and the impromptu dementia training I had with her carer when I picked mum up was very reassuring and has given me some useful techniques to employ. Our thanks to all and looking forward to future bookings."

FINANCIAL REVIEW

Following the easing of Covid restrictions within the Care Sector the Charity's priority in 2022, alongside ensuring the safety of our residents and staff, was financial security.

With Covid still having some operational impact, the Charity was also faced with an increasing cost base as a result of the 'Cost of Living Crisis'.

Total income for the year was £13.7million (2021: £12.0million) with £12.4m (2021: £11.0m) of this relating to resident fees. This increased income was in the main a result of additional residents across the Group, with the average occupancy for the year being 90.4% (2020: 85%).

Closing occupancy in December 2022 was 85.5% (2021: 92.6%). Although fees did increase marginally in the year, we kept them competitive to make care affordable to as many people as possible across the County.

To underpin the Charity's core objectives, part of the strategy is to obtain income from other sources, in part to maintain a competitive advantage but also to offset rising costs. In 2022 our day centres brought in £0.3m (2021: £0.2m), investment property and flats (inclusive of Catharine Ball which was merged into the Charity in August 2022) £0.1m (2021: £0.1m) and the shop, which opened June 2022, £24k.

Direct charitable activities expenditure was £11.9million (2021: £10.5m). The majority of this increase can be attributed to additional employment costs which stood at £8.8m (2021: £7.6m) for the year. This was driven by the National Minimum Wage increase in April and consequent increases to all staff already above that rate. Additionally, a reduction in the pool of employees in the market resulted in increased usage of agency staff, with costs of £1.7m (2021: £1.0m) in the year. Rewarding and caring for the people who care for our residents only improves the stability of the organisation and ultimately means they benefit from that stability so as well as a pay increase, we were pleased to give all staff a much-deserved Christmas cash gift once again.

Support costs remained at the same level of the previous year at 9.5% (2020: 9.5%) of income as we continue to ensure the Charity is operated in the most efficient way possible. Overheads and support costs are regularly reviewed to ensure best value for money is obtained for the Charity.

Capital expenditure increased to £865k (2021: £684k) as we continued to maintain and develop our homes. Within the year there was considerable development of the Fairhaven Wing at St Faith's to both modernise and adapt to make the rooms in that area of the home fit for purpose for the levels of care required in today's market. The cost of this project was £0.4m and was completed in September.

Financial assistance to those residents funded by local authorities grew as the increase in their rates have not kept in line with inflationary cost increases as well other pressures in the market. Across the year financial assistance was £1.5m (2021: £1.2m). This is the annualised average difference between the break-even cost of caring for a resident and the rate the local authority pays.

The Charity's closing cash balance was £0.7m (2021: £1.1m), a reduction of £0.4m, equivalent to the cost of the Fairhaven project.

The Charity's surplus before depreciation and bank interest was £1.3million (2021: £1.2million) with the net surplus being £461k for the year (2020: £403k).

Principal Funding Sources

The Charity's principal source of funding is from residents' fees. That includes residents who are self-funding, residents paying a proportion of their care costs as deemed by the local authority, residents fully funded by the local authority and residents funded by the Clinical Commissioning Group. The Charity also received donations from local businesses, families and charitable events.

The Charity has received donations and other contributions to costs from various organisations such as the RAF Benevolent Fund, Civil Service Benevolent Fund, the Royal Agricultural Benevolent Fund, and the St Andrews Society. The support from these organisations is hugely appreciated by the Board of Trustees.

Investment Policy

During the year, the Charity maintained its financial investments under a portfolio managed externally. Within the year the fund management company changed name from Sanlam Wealth to atomos following an acquisition. In line with the investment policy, the primary objective is to preserve capital and generate prudent capital growth over the long term.

During the year the Finance Committee, with independent financial advice, conducted a review of the performance of the Charity's investment portfolio. The result was a modest increase to the risk level of the portfolio which is being implemented during 2023.

Any income and capital growth from these investments will be used to facilitate future plans and strategies of the Charity. As at the year-end, these investments were valued at £598k (2021: £657k), a drop of £59k.

Reserves Policy

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation.

Providing care and effective support when it is needed is therefore core to our mission at the Lilian Faithfull Care, and to the reserves policy we have set to ensure we are able to deliver on our aim and objectives. The policy ensures our work is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring we do not retain income for longer than required.

The policy is that the unrestricted funds not assigned to tangible fixed assets held by the Charity ('Free Reserves' and 'Designated Funds') should be sufficient to cover the essential operating costs of the Charity for a three-month period. The Trustees have set aside those reserves in order to protect the future operations of the Charity from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice.

Total reserves at 31 December 2022 were £10.7m (2021: £10.3). Designated funds were £1.3m (2021: £1.3m) and General Unrestricted funds were £9.4m (2021: £9.0m).

The Charity has continued to invest substantial sums into the buildings in recent years and has a constant programme of refurbishment, development and investment to maintain excellent facilities for our residents. The current level of Free Reserves and Designated Funds is £2.2m (2021: £2.7). The level of Free Reserves including tangible fixed assets is £14.6m (2021: £14.4m).

The reserves policy is to be reviewed by the Finance Committee during 2023.

RISK MANAGEMENT

Risk management should form an integral part of the Charity's decision–making and be incorporated within strategic and operational planning. The new Risk Committee, when operational, is to review the Risk Management Strategy and present to the Board for approval. The Strategy is reviewed annually.

The Risk Committee is to determine that there is a robust process in place for identifying, managing, and monitoring critical risks; oversee execution of that process; and ensure it is continuously improved as the business environment changes.

The Charity maintains a comprehensive Risk Register which is regularly reviewed by the Risk Committee and Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Lilian Faithful Care was incorporated as a private company limited by guarantee under the Companies Act 1985 on 31 December 2007. The Company was also registered as a charity on 31 December 2007. The Company is governed by its Memorandum and Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Subsidiaries

The Charity has a wholly-owned subsidiary, Lilian Faithfull Trading Limited, which contracts with local authorities in respect of local authority-funded residents. Lilian Faithfull Homes Limited is a second wholly-owned subsidiary, which did not trade during the current or preceding financial year and is a dormant company.

Governance

The organisation follows the principles of the Charity Governance Code for larger charities. The organisation has a Governance Manual setting out its governance arrangements. A thorough review of the Manual began in the Autumn of 2022 to ensure that it is up-to-date and follows best practice. The Manual was presented to the People and Governance Committee in January 2023 and approved by the Board in February 2023. The manual is to be reviewed annually.

Trustees and Chief Executive

The Board of Trustees comprises up to twelve Trustees. At the beginning of 2022 there were nine Trustees. There were three Trustee retirements in June 2022. A new chair was recruited and started in June 2022. Further Trustee recruitment commenced in 2022 with one additional Trustee confirmed in December 2022. Our aim is to recruit to 12 Trustees. The People and Governance Committee agrees an interview panel for the appointment of Trustees which recommends appointments to the Board ensuring that the recruitment process is formal, fair, rigorous and transparent. All eligibility checks are undertaken and an induction pack is provided to new Trustees.

Trustees are not entitled to receive any payment for the time spent on Trustee duties. The Board has agreed an expenses policy for Trustees to reimburse reasonable out-of-pocket expenses properly incurred in the performance of Trustee duties.

The Board of Trustees appoints the Chief Executive upon the recommendation of the People and Governance Committee. The People and Governance Committee agrees an interview panel for the appointment of Chief Executive and recommends appointments to the Board ensuring that the recruitment process is formal, fair, rigorous and transparent. Martin Hughes, resigned and left the Charity in November 2022. A recruitment process was completed in 2022 with Kevin Snowball starting in April 2023. All eligibility checks are undertaken.

The People and Governance Committee consider a remuneration and benefits framework (including pension arrangements) for the Chief Executive.

The People and Governance Committee supports the Chair of the Board of Trustees in undertaking the Chief Executive's appraisal.

Committees

The Chair, with the People and Governance Committee, has undertaken a review of the Committee structure and terms of reference which have been approved by the Board of Trustees. The Committees, which act within their agreed terms of reference, are:-

- Finance Committee is to oversee financial aspects of the Charity. In addition, this Committee will undertake a risk function until a suitable Trustee has been recruited to be Chair of a separate Risk Committee and at that time the risk functions will be undertaken by the Risk Committee.
- Risk Committee is to oversee risk aspects of the organisation.
- Care Committee is to focus on care and the HR aspects of our homes.
- People and Governance Committee is to monitor governance matters. This Committee is to have a broader consideration of HR / People aspects of the organisation which is not currently being looked at by other Committees.
- Estates Committee is to oversee estates aspects of the organisation

Decisions

The Board has ultimately responsibility for decisions taken by the organisation. Committees give detailed consideration on matters within their respective terms of reference and report to the Board of Trustees after each meeting. As part of the review of its governance arrangements, a Scheme of Delegated Authority (SODA) was presented to the People and Governance Committee in January 2023 and approved by the Board of Trustees in February 2023.

Fundraising disclosures

The Charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

The Trustees (who are also directors of Lilian Faithfull Care for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company, enables them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Lilian Faithfull Care for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United

Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company, enables them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the Audit report) of which the Charity's auditor is unaware.

Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Trustees' report comprising the Strategic Report and other information was approved by the Trustees on and signed on their behalf by:

By order of the Board

.....
F Spencer
Trustee

Date: 7 September 2023

Opinion
We have audited the financial statements of Lilian Faithfull Care for the year ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statement and our auditor's report thereon. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity's audit. We remain solely responsible for our audit opinion.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 December 2022 has been undertaken;
- Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
- Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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.

.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 8 Sep 2023

LILIAN FAITHFULL CARE
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
		£	£	£	£
INCOME					
Income from:					
Donations and legacies	2	51,412	871,515	922,927	778,562
Charitable activities	3	12,749,979	-	12,749,979	11,145,858
Investments	4	126,539	-	126,539	116,160
Other income	5	23,341	-	23,341	16,051
Total income		12,951,271	871,515	13,822,786	12,056,631
Expenditure on:					
Raising funds:					
Investment manager's fees		5,707	-	5,707	4,627
Charitable activities		12,950,596	337,546	13,288,142	11,656,748
Total expenditure	6	12,956,303	337,546	13,293,849	11,661,375
Net (losses)/gains on investments		(67,657)	-	(67,657)	7,589
Net movement in funds		**(72,689)**	**533,969**	**461,280**	**402,845**
Reconciliation in funds					
Total funds brought forward		10,266,350	-	10,266,350	9,863,505
Net movement in funds		(72,689)	533,969	461,280	402,845
Total funds carried forward		10,193,661	533,969	10,727,630	10,266,350

The notes on pages 20 to 33 form part of these financial statements.

LILIAN FAITHFULL CARE
BALANCE SHEET (Company Number: 06461263)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	11	12,402,053	11,749,687
Investments	13	597,987	657,026
Investment property	12	1,599,271	1,599,235
Total fixed assets		14,599,311	14,005,948
CURRENT ASSETS			
Debtors	14	740,886	626,028
Cash at bank and in hand		633,063	1,074,219
		1,373,949	1,700,247
CREDITORS			
Amounts falling due within one year	15	(2,125,333)	(1,561,828)
NET CURRENT (LIABILITIES) / ASSETS		(751,384)	138,419
TOTAL ASSETS LESS CURRENT LIABILITIES		13,847,927	14,144,367
CREDITORS			
Amounts falling due after more than one year	16	(3,120,297)	(3,878,017)
TOTAL NET ASSETS		10,727,630	10,266,350
CHARITY FUNDS			
Restricted funds	19	533,969	-
Unrestricted funds	18	10,193,661	10,266,350
Total funds		**10,727,630**	**10,266,350**

Approved by the Board for issue on 2023

.....
F Spencer - Trustee

The notes on pages 20 to 33 form part of these financial statements.

LILIAN FAITHFULL CARE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	£	2022 £	£	2021 £
Cash used in operating activities					
Net cash provided by operating activities	21		1,666,003		1,055,249
Cash flows from investing activities					
Dividends, interests and rents from investments		126,539		116,160	
Purchase of tangible fixed assets		(1,880,139)		(684,328)	
Proceeds from sale of tangible fixed assets		14,464		-	
Proceeds from sale of investments		412,246		248,721	
Purchase of investments		(419,604)		(246,803)	
Investment property additions		(36)		(1,039,235)	
Cash used in investing activities			(1,746,530)		(1,605,485)
Cash flows from financing activities					
Advance of bank loan			-		603,600
Bank interest paid			(116,163)		(74,117)
Repayments of borrowings			(244,028)		(251,489)
Net cash provided by / (used in) in financing activities			(360,191)		277,994
Change in cash and cash equivalents in the year			**(440,718)**		**(272,242)**
Cash and cash equivalents brought forward			1,092,123		1,364,365
Total cash and cash equivalents carried forward	22		**651,405**		**1,092,123**

The notes on pages 20 to 33 form part of these financial statements.

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, adopting the following principal accounting policies all of which are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS102) issued in July 2014 and The Companies Act 2006.

The financial statements are presented in Pounds Sterling.

Company status

The Charity is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The company is subject to the requirements of the Companies Act 2006 with regards to the form and content of the financial statements.

The Charity is a private company, limited by guarantee (company no. 06461263 England and Wales) without share capital, and registered with the Charity Commission (registered number 1122183 in England and Wales).

The address of its registered office is:
Ground Floor West
Festival House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

This is also the registered address of its subsidiaries Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited.

Consolidated financial statements

The financial statements do not include the consolidated financial results of the Charity and its subsidiary companies, Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited, on the grounds that the subsidiary company's results are immaterial to the group.

Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For long term finance the charity relies on bank loans, as disclosed in notes to the financial statements. In assessing going concern the Trustees have assumed that these bank loans will not be repaid for the foreseeable future (in line with the signed bank loan agreement) and are not aware of any circumstances that may adversely affect the renewal of these facilities. In preparing the financial statements, the Trustees have considered the potential impact of the ongoing Covid-19 pandemic on the going concern status of the Charity and have determined the impact on current and future performance of the Charity is minimal. The factors considered by the Trustees are documented in more detail within the Trustees report. The Trustees consider that there are no material uncertainties over the Charity's financial viability and, accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes; or
- Unrestricted designated funds, that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements; or
- Restricted funds, which are donations or legacies received where the donor has specified use solely for particular areas of the Charity's work or for specific projects undertaken. The specific restriction on each fund is set out in the financial statements.

ACCOUNTING POLICIES (continued)

Incoming resources

Investment income is recognised when received, or if declared and receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes home income recognised as earned (as the related goods or services are provided) under contract.

Rental income is included in the year in which it is receivable. Rent receivable from the investment property is classified as investment income.

Resources expended

Expenditure is accounted for as charitable activities being the provision of care. Within provision of care, costs are allocated between direct provision of care costs and support costs. The irrecoverable element of Value Added Tax is included with the item of expense to which it relates. Depreciation is allocated to expenditure headings on the basis of the use of the assets concerned.

Governance costs include cost of constitutional and statutory requirements, cost of Trustee meetings and the cost of any legal advice to the Trustees on governance or constitutional matters and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage.

Costs of raising funds are costs payable to third party investment managers that manage the Charity's investment portfolio.

Government grants

Grants from government bodies are reviewed for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received, and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

Taxation

The Company is an Exempt Charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 519 of the Income Tax Act 2007 (formerly Section 506(1) of the Taxes Act 1988). Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 524 of the Income Tax Act 2007 (formerly Section 505 of the Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Tax 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Ongoing projects may have additional costs below this value however they are capitalised as the overall cost of the project is over £1,000.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives in the following bases:

Freehold land	Nil
Freehold buildings	2 - 5% of cost per annum
Leasehold improvements	In line with the underlying lease
Fixtures and equipment	20% of cost per annum
Motor vehicles	20% of cost per annum

Investments

Fixed asset investments are included at market value at the Balance Sheet Date.

Gains and losses represent the movement in market values during the year and are credited of charged to the Statement of Financial Activities.

Unlisted investments are shown at cost unless there is a permanent diminution in value.

Investment Property

Investment properties are stated at freehold market value in the Balance Sheet at the reporting date. An independent professional third-party valuation is carried out at least every five years and prepared on an informal basis in the intervening period. Gains or losses are taken to the Statement of Financial Activities. No depreciation is charged on investment properties.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with financial institutions.

Debtors

Trade, other debtors and accrued income are recognised at the settlement amount due, and prepayments are valued at the amount prepaid.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors, taxation and social security, wages and salaries, other creditors and accruals are recognised at their settlement amount. Bank loans are recognised at amortised cost using the effective interest method.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors, creditors and loans. All investments held by the Charity also qualify as basic financial instruments.

Pension costs

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

ACCOUNTING POLICIES (continued)

Redundancy costs

Redundancy costs arising from periodic reviews of staff levels are charged to the Statement of Financial Activities in the year in which the Charity is demonstrably committed to the employees leaving the Charity.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to consider making significant judgements and estimates where necessary. The areas in which significant judgements and estimations have been made comprise of depreciation and the recoverability of debtors, and investment property valuation.

Useful economic lives of tangible fixed assets
The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See Note 11 for the carrying amount of the tangible fixed assets and above for the useful lives of each class of asset.

Impairment of debtors
The Charity makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Investment property valuation
The Charity will periodically engage third party experts to provide, and independent valuation of the investment properties held.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
	£	£	£	£
Donations				
General donations	51,412	564,281	615,693	142,319
Government grants	-	307,234	307,234	636,243
Total 2022	51,412	871,515	922,927	778,562

The income received from government grants includes £Nil (2021 - £63,623) related to the Coronavirus Job Retention Scheme, £148,326 (2021 - £572,620) of Infection Control Grant and £158,908 (2021 - £Nil) related to the Workforce Retention and Recruitment Fund. All government grants have been fully utilised during the year and there were no amounts owed back to the government at the year end.

The restricted donations related to assets received on the merger of the charity with Catharine Ball Almshouses.

3 PROVISION OF CARE

	2022 £	2021 £
Residents' fees	12,715,196	11,133,905
Contributions to running costs	11,248	11,953
Charity shop income	23,535	-
	12,749,979	11,145,858

Provision of care was unrestricted during this and the prior year.

4 INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	112,186	112,186	103,417
Income from listed investments	13,893	13,893	12,101
Interest receivable	460	460	642
	126,539	126,539	116,160

5 OTHER INCOME

The analysis of the Charity's other income for the year is as follows:

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Voluntary income, other income, gift aid	23,341	23,341	16,051
	23,341	23,341	16,051

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

	Activities undertaken directly 2022 £	Support costs 2022 £	Total 2022 £	Total 2021 £
Care costs	6,200,037	-	6,186,919	5,181,648
Welfare	3,830,858	-	3,830,858	3,388,277
Premises	1,975,967	-	1,975,967	1,943,698
Support costs	-	1,286,987	1,300,105	1,147,752
Total	12,006,862	1,286,987	13,293,849	11,661,375

Analysis of direct costs

	Care Costs 2022 £	Welfare 2022 £	Premises 2022 £	Total 2022 £	Total 2021 £
Staff costs	4,481,216	2,412,382	142,195	7,035,793	6,938,442
Depreciation	-	-	630,398	630,398	607,586
Contract catering	-	530,893	-	530,893	428,880
Establishment costs	-	-	538,430	538,430	556,341
Repairs and maintenance	-	-	664,944	664,944	658,292
Advertising	-	53,726	-	53,726	52,207
Office expenses	-	121,765	-	121,765	95,733
Subscriptions and publications	-	23,353	-	23,353	30,646
Equipment hire	-	20,037	-	20,037	17,933
Residents' welfare and activities	-	62,289	-	62,289	30,653
Cleaning, medical costs, uniforms	-	117,419	-	117,419	157,772
Motor expenses	-	28,013	-	28,013	27,478
Other employment costs	-	241,510	-	241,510	161,483
Irrecoverable VAT	-	55,296	-	55,296	-
Agency costs	1,705,703	164,175	-	1,869,878	750,177
Management charge	13,118	-	-	13,118	-
Total	6,200,037	3,830,858	1,975,967	12,006,862	10,513,623

The current year analysis above splits out irrecoverable VAT in a separate line whereas this cost in the comparative is included within each of the cost lines. It is not possible to restate the comparative figures.

Analysis of support costs

	Care costs 2022 £	Total 2022 £	Total 2021 £
Staff costs	918,455	918,455	823,578
Printing, postage and stationery	31,865	31,865	33,036
Legal and professional costs	109,871	109,871	111,183
Bank charges & interest	129,054	129,054	78,750
Governance costs	15,360	15,360	17,833
Depreciation	82,382	82,382	83,372
	1,286,987	1,286,987	1,147,752

Governance costs comprise auditor's remuneration of £15,360 (2021 - £17,503) and Trustees' expenses of £Nil (2021 - £330).

7 TAXATION

The company is a registered charity and is therefore entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

8 AUDITOR'S REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's Annual accounts	15,600	17,103
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	3,120	400
	18,720	17,503

9 EMPLOYMENT COSTS

	2022 £	2021 £
Wages and salaries	7,248,746	7,101,939
Social security costs	560,424	519,897
Contribution to defined contribution pension schemes	145,078	140,184
	7,954,248	7,762,020

During the year, 2 (2021 – no) Redundancy and Termination payments (including salary, notice and accrued holiday pay) were made, totalling £15,350 (2021 - £Nil).

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Head count	388	410

The number of employees whose employee benefits exceeded £60,000 was:

	2022 No.	2021 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1

The key management personnel (other than the Trustees who are not remunerated) of the Charity are the Chief Executive Officer, the Director of Care, Director of Human Resources and the Director of Finance. The remuneration for this team totals £277,126 (2021 - £276,425). This includes gross salary, benefits and employer's pension contributions.

10 TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £Nil).

During the year ended 31 December 2022, expenses totalling £Nil were reimbursed or paid directly (2021 – £330).

11 TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Improvements	Motor Vehicles	Fixtures and Equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2022	11,443,345	4,595	183,684	4,431,799	16,063,423
Additions	884,105	20,415	22,097	453,530	1,380,147
Disposals	(15,000)	-	-	(243,944)	(258,944)
At 31 December 2022	12,312,450	25,010	205,781	4,641,385	17,184,626
Depreciation					
At 1 January 2022	1,034,626	2,011	146,073	3,131,026	4,313,736
Charge for the year	179,730	5,914	15,122	512,015	712,781
Eliminated on disposal	-	-	-	(243,944)	(243,944)
At 31 December 2022	1,214,356	7,925	161,195	3,399,097	4,782,573
Net book value					
At 31 December 2022	11,098,094	17,085	44,586	1,242,288	12,402,053
At 31 December 2021	10,408,719	2,584	37,611	1,300,773	11,749,687

12 INVESTMENT PROPERTY

	Freehold Investment Property
	£
Valuation	
At 1 January 2022	1,599,235
Additions	36
At 31 December 2022	1,599,271

The Trustees have reviewed the value of the investment properties and consider that costs represent the fair value at 31 December 2022. The investment properties are valued by an independent, third party valuer on a quinquennial basis.

Royal Garden Flats was last valued based on an adjusted net rental income capitalisation approach on 11 January 2021 by Philip J Pratt BSc MRICS of Alder King LLP. As he is a related party, the Trustees of the Finance Committee have approved the valuation on behalf of the Board.

Tredwell Court which is made up of nine flats for private rental, was valued using comparable and investment methods of valuation on 23 November 2020 by Bruce P Fenley BSc (Hons) MRICS of Ash Chartered Surveyors.

13 FIXED ASSET INVESTMENTS

	Investments In Subsidiary company £	Listed Investments £	Total £
Cost or valuation			
At 1 January 2022	100	656,926	657,026
Additions	-	419,604	419,604
Disposals	-	(412,252)	(412,252)
Revaluations	-	(66,828)	(66,828)
Movement on cash held for reinvestment	-	437	437
At 31 December 2022	100	597,887	597,987

At year end cash held by the investment managers totalled £17,158 (2021 – £17,858).

Lilian Faithfull Trading Limited is a wholly owned subsidiary of the Charity and manages the Local Authority care contracts. Lilian Faithfull Trading Limited made neither profit nor loss and as at 31 December 2022, the entity had total net assets of £1,029 (2021 - £1,029).

Lilian Faithfull Homes Limited is a second wholly owned subsidiary. Lilian Faithfull Homes Limited did not trade during the current or preceding financial year and is a dormant company.

14 DEBTORS

	2022 £	2021 £
Trade debtors	458,403	475,914
Other debtors	2,636	10,052
Prepayments and accrued income	169,483	140,062
Amounts owed by group undertakings	110,364	-
	740,886	626,028

15 CREDITORS – amounts falling due within one year

	2022 £	2021 £
Bank loans	782,051	268,359
Trade creditors	390,820	251,806
Other taxation and social security	289,464	285,741
Other creditors	554,537	537,380
Accruals and deferred income	108,461	218,542
	2,125,333	1,561,828

16 CREDITORS – amounts falling due after more than one year

	2022 £	2021 £
Bank loans	3,120,297	3,878,017

Included within the above are amounts falling due as follows:

	2022 £	2021 £
Between one and two years		
Bank loans	232,395	782,051
Between two and five years		
Bank loans	2,887,902	2,609,884
Over five years		
Bank loans	-	486,082

At 31 December 2022, there were three (2021 - three) bank loan balances of £2,562,617, £782,166 and £557,564 (2021 - £2,745,898, £819,970 and £580,508 respectively).

The first loan is secured by legal charge over both Royal Court, Fiddler's Green, Cheltenham, Gloucestershire and St Faith's Nursing Home, Malvern Road, Cheltenham, Gloucestershire, and bears a margin rate of 1.58% over base rate. The second loan is secured by means of a legal charge over Resthaven Nursing Home, Pitchcombe, Stroud, Gloucestershire, and bears a margin rate of 1.95% over base rate. The third loan has no additional securities to those already listed and bears a margin rate of 1.7% over base rate.

17 FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through income and expenditure	597,887	656,926

Financial assets measured at fair value through income and expenditure comprise listed investments. All other financial assets and liabilities are measured at amortised cost.

18 FUNDS

	At 1 January 2022	Incoming resources	Outgoing resources	Transfers	Gains / (losses)	At 31 December 2022
	£	£	£	£	£	£
Designated funds						
Emergency Maintenance Fund	750,000	-	-	-	-	750,000
Assisted Places Fund	500,000	-	-	-	-	500,000
	1,250,000	-	-	-	-	1,250,000
General funds						
Free Reserves	(4,332,572)	12,951,271	(12,487,465)	(1,121,240)	(67,657)	(5,057,663)
Tangible fixed assets	11,749,687	-	(468,838)	1,121,204	-	12,402,053
Investment property	1,599,235	-	-	36	-	1,599,271
Merger reserve	-	-	-	-	-	-
	9,016,350	12,951,271	(12,956,303)	-	(67,657)	8,943,661
Total unrestricted funds	**10,266,350**	**12,951,271**	**(12,956,303)**	**-**	**(67,657)**	**10,193,661**

Designated funds

Emergency Maintenance Fund
This fund has been set up to fund required maintenance of the Lilian Faithfull Care Estate.

Assisted Places Fund
This fund has been set up to allow the Charity to help existing residents once they no longer afford to privately fund their place at the home. It is envisaged that this fund will primarily be used to fund residents where there is a legislation change around funding and we will need to support them financially.

Staff Fund
This fund is made up of donations from relatives of residents who have given money as a thank you to the staff of Lilian Faithfull Care.

Residents' Fund
This fund is made up of donations from relatives of residents who have given money to assist residents during their time at Lilian Faithfull Care.

19 RESTRICTED FUNDS

	At 1 January 2022 £	Incoming resources £	Outgoing resources £	Transfer in the year £	At 31 December 2022 £
Donations	-	564,281	(30,312)	-	533,969
Infection control grant	-	148,326	(148,326)	-	-
Workforce Retention and Recruitment Fund	-	158,908	(158,908)	-	-
	-	871,515	(337,546)	-	533,969

Restricted Funds

Infection Control Grant
Government funding received via the Local Authority to support adult social care providers to reduce the rate of COVID-19 transmission in and between care homes and support wider workforce resilience. The Trustees consider that these funds were fully utilised in 2022.

Workforce Retention and Recruitment Fund
Government funding received via the Local Authority to support staff and boost retention of staff within the social care industry. The Trustees consider that these funds were fully utilised in 2022.

Donations
Donations relate to assets acquired when Lilian Faithfull Care merged with Catharine Ball Almshouse.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2022	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021
Tangible fixed assets	11,902,053	500,000	12,402,053	11,749,687
Fixed asset investments	597,987	-	597,987	657,026
Investment property	1,599,271	-	1,599,271	1,599,235
Current assets	1,339,980	33,969	1,373,949	1,700,247
Creditors due within one year	(2,125,333)	-	(2,125,333)	(1,561,828)
Creditors due in more than one year	(3,120,297)	-	(3,120,297)	(3,878,017)
Total	10,193,661	533,969	10,727,630	10,266,350

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the period	461,280	402,845
Adjustments for:		
Depreciation charges	712,780	690,958
Losses/(gains) on investments	67,657	(7,589)
Finance costs	123,446	74,014
Profit on disposal of tangible fixed assets	536	-
Dividends, interests and rents from investments	(126,539)	(116,160)
Non cash income received	500,000	-
(Increase)/decrease in debtors	(114,858)	96,965
Increase/(decrease) in creditors	41,707	(85,784)
Net cash provided by operating activities	1,666,003	1,055,249

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	633,063	1,074,219
Cash held for reinvestment	18,342	17,904
Total cash and cash equivalents	**651,405**	**1,092,123**

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,092,123	(440,718)	651,405
Debt due within 1 year	(268,359)	(513,692)	(782,051)
Debt due after 1 year	(3,878,017)	757,720	(3,120,297)
	(3,054,253)	(196,690)	(3,250,943)

24 PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charity to the scheme and amounted to £145,078 (2021 - £140,184). At the end of the year outstanding contributions amounted to £Nil (2021 - £Nil). All pension charges are charged to unrestricted funds, in line with the fund out of which the wages and salaries are paid.

25 OPERATING LEASE COMMITMENTS

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Land and buildings		
Within 1 year	95,775	57,068
Between 1 and 5 years	27,293	144,624
After more than 5 years	108,268	-
Total	231,336	201,692
Plant and machinery		
Within 1 year	112,542	115,456
Between 1 and 5 years	403,535	306,059
After more than 5 years	252,684	24,124
Total	768,761	445,639

26 RELATED PARTY TRANSACTIONS

At 31 December 2022 the Charity owed £110,363 (2021 – £864) to Lilian Faithfull Trading Limited, its subsidiary undertaking. The loan is interest free and has no fixed repayment terms.

27 POST BALANCE SHEET EVENTS

In February 2023, the charity acquired Baytree Court Care Home for a consideration of £6,625,000.

LILIAN FAITHFULL CARE

England & Wales - Charity number 1122183

Accounts

Registered Charity No: 1122183
Company Number: 06461263

LILIAN FAITHFULL CARE

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

LILIAN FAITHFULL CARE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Charity number	1122183
Company registration number	06461263
Registered office	Ground Floor West Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Principal office	Ground Floor West Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Trustees	J E Ballinger A J B Bishop F Court E Fox G H Parry P Pratt G Pyatt M D Smith Dame J Trotter J G Woodley
Secretary	G H Parry
Chief executive	M Hughes
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT
Bankers	Barclays Bank Plc 128 High Street Cheltenham Gloucestershire GL50 1EL

The Trustees of Lilian Faithfull Care present their Annual Report for the year ended 31 December 2021 in accordance with FRS 102, the Charities SORP (FRS 102), the Companies Act 2006, the Charities Act 2011 and the Care Quality Commission. The Trustees are also approving the Strategic Report in their capacity as company directors. The company was incorporated in England and Wales and its Registration Number is 06461263 and Charity Number is 1122183.

Our Aim and Public Benefit
The Trustees of Lilian Faithfull Care have the ultimate responsibility for the wellbeing of the Charity, they also set the tone for the way the Charity presents and conducts itself.

Our Charity's aim, as set out in the objects contained in the Charity's Memorandum and Articles of Association is "to relieve elderly persons in necessitous circumstances upon terms appropriate to their means, and to provide for aged persons in need thereof, accommodation and any associated amenities specifically designed or adapted to meet the disabilities and requirements of such persons".

Under company law the Directors of the Company acting as Trustees should ensure that the Charity offers an appropriate range and quality of care for older people in accordance with the Company's Memorandum & Articles of Association. The Trustees must also ensure that resources are utilised in accordance with any legal obligations laid down by statute, HMRC, other Government agencies, Companies House and the Charity Commission.

Everyone who works for the Charity has a responsibility to be mindful of the great legacy Lilian Faithfull entrusted to us to steward for our successors.

Public Benefit
Our public benefit can be summarised as to provide a safe, friendly and supportive environment for older people at our affordable housing, assisted living, residential, nursing homes, and community facilities across the County of Gloucestershire. We provide significant support to those funded by Social Services and are one of the largest providers of social care in the County. We offer our families and residents a 'Home for Life' and continuity of care irrespective of their financial circumstances.

Our public benefit is to open the services of Lilian Faithfull Care to all, irrespective of their means to pay, within the limits of our resources.

We benchmark our fees to private funders and ensure they are below the market rates; we calculated from research in December 2021, that our fees are approximately 10% below any other provider in Gloucestershire.

Our staffing ratios are higher, our spend per head on food and nutrition far higher than industry averages and our activity provision covers seven days a week. We also provide free onsite physiotherapy to all our residents.

We provide more support to those funded by Social Services than any other provider in Cheltenham and are one of the largest providers of social care in the County. We offer our families and residents a 'Home for Life' and continuity of care irrespective of their financial circumstances.

The Charity also provides free advice, support and guidance for families through its community events, Day Centres, Meeting Centres and our Memory Awareness Support Team (MAST) throughout Gloucestershire.

Average occupancy for the year across the five homes was 215 (2020:218) for the full year, which demonstrates the demand for our services. Of this number, Lilian Faithfull provided financial support to, on average, 81 residents (2020:73 residents) and 9 day-care guests (2020:5) who had limited or no means to fund care themselves.

Our services were also in high demand from the NHS and Clinical Commissioning Groups during the pandemic and the Charity was instrumental in assisting our local hospitals and families to reduce pressure on their services. We admitted 47 residents during the year at reduced fee rates to ensure we helped people rehabilitate in our homes.

Lilian Faithfull Care continued to work well with local agencies and other charitable organisations to broaden the breadth of care and support in the County.

Ensuring Our Work Delivers Our Aim
We review our aims, objectives and activities twice a year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Strategic Objectives
Our strategic objectives (*and outcomes*) for 2021 were:

Core Plans

- Ensure all our homes continue to be CQC compliant.
  Our homes were inspected under the Care Quality Commissions infection control-monitoring program and passed. All our homes remain rated Good by the regulator.

- Occupancy remains at least 90%.
  Occupancy for the year remained above industry averages and closed at 92.6%. We liaised extensively with our partners in the NHS and Local Authority to help wherever we could.

- Generating a reasonable surplus to enable re-investment in the Charity and its staff.
  Surplus was 3% of income and we increased staff wages for the ninth consecutive year, whilst continuing investment in our facilities and new equipment for the benefit of our residents.

- Increasing our profile across the County.
  We have become one of the best-known charities in the County through events and promotion of our charitable work. During the year we were the first care home group to have all 200+ residents receive the booster vaccination against Covid-19, which generated wide-ranging publicity of our charitable works.

Growth and Development

- Explore further Day Care provision in the County.
  The Charity is currently undertaking investigation and preparatory discussions to increase its day care provision across the County during 2022.

- Explore the opportunity to grow the Charity through acquisition of suitable facilities.
  Prior to the end of the year, the Board of Trustees agreed to merge another charity into Lilian Faithfull Care to provide accommodation for older people in the County.

Properties and services

- Continue with refurbishing our Estate, ensuring they are always fit for purpose.
  We ensured our homes were safe during the pandemic period, purchasing additional equipment and adapting the properties where needed to improve the environment for our residents and families.

  We also commenced a major refurbishment project at St Faiths Nursing Home to create state of the art nursing suites. These will become operational in Q2 2022.

- Develop our brand to demonstrate our breadth of services and heritage.
  We have been experiencing a significant surge in our services and also requests for help and advice. During the year the Charity was seen as a beacon of excellence in keeping older and vulnerable people safe.

- Investigate technology in care with the University of Gloucestershire and other bodies.
  We took part in the trial of the Genie companionship robot at Royal Court which was hugely successful. We continued to look at all advanced in technology to promote well-being and the ability of our teams to spend more times with our residents.

  In 2022, we will instigate the rollout of Electronic Medication Systems and Electronic Care Planning solutions across the Group.

- Supporting more student nurses at St Faiths, Resthaven and Faithfull House.
  Our work with the University to help train the next generation of nurses has been a tremendous success. We will continue with student nurse placements and have plans to adopt this at more of our homes in 2022.

- Developing our Teams.
  We continued to offer a wide range of promotion and training opportunities. During 2021, we provided Nursing Associate qualifications at all our homes and a wide range of qualification opportunities. We recommenced our Aim Higher Leadership development program for 15 staff to future proof the Charity and aid succession planning.

How Our Activities Achieve Our Aim and Public Benefit

The Charity is one of the largest providers of social care for the elderly in Gloucestershire; caring for more residents who have limited resources than any other provider. The Local Authority and the regulator deem us a 'difficult to replace' care provider – this means that our services are vital to the Community and the County. We also supported those with limited resources by £1.8million in 2021 up from £1.6million in 2020.

The Charity stands by its commitment of 'A Home for Life' as we ensure that all our residents stay with us irrespective of their financial status. Those with little or no financial resources can apply to Social Services to pay the bulk of their fees. However, the amount that Social Services will pay is less than the actual cost of providing the required care.

In the absence of help from family or other sources of support, such residents will have a shortfall in fees made up from the Charity's own resources. We will not ask any resident to leave due to a financial circumstance.

Our aim is to provide exceptional care and support for our residents and families irrespective of financial means. The Charity has navigated the challenge that many Charities have not managed, in that balancing providing excellent care, increasing wages and increasing our supported residents whilst ensuring we remain a very stable place to live and work.

Considering the guidance from the Charity Commission, we demonstrate our public benefit by providing care, catering and staffing levels above industry standards and a Home for Life alongside;

- Our number of supported residents has increased by 88% since 2014. (43 vs. 81 residents)
- Financial support we give has increased by 135% since 2014. (£766k vs. £1.8m support)
- Our day guest numbers have increased by 49% since 2014. (43 guests vs. 64 guests)
- We provide emotional support and guidance through our MAST groups and Day Care.
- We continue to work closely with our colleagues in the NHS and Gloucestershire County Council to ease demand in the hospitals and help with short-term support.

Going forward, research from the local authority tell us to expect the number of older people aged 65 and over in Gloucestershire to continue to rise at a faster pace than nationally, rising from 126,800 in 2015 to 206,300 by 2039. An estimated 25,400 older people have a long-term illness or disability that limits their day-to-day activities. The number is predicted to rise to 39,000 by 2030.

An estimated 12,700 people aged 65+ in Gloucestershire feel lonely always or often. The number of people living alone is estimated to increase by about a fifth from 33,800 to 41,000.

This means that more people are likely to need support; research shows that when people are isolated and lonely their wellbeing is affected and they are more likely to need health and social care services in the future.

Our active liaison with local community groups and with the Social Services has helped significantly in reducing those concerns and has created better local understanding of our work. We are very grateful for the community support the Charity receives from local businesses, schools and organisations which enhances our residents lives on a daily basis

During the year, we were seen as some of the safest places for residents to live and our staff to work in the County and an integral partner to the local hospitals and wider community.

Effect of Covid-19 during 2021 and actions the Charity undertook
The Charity continued to adopt its very cautious approach throughout the year and experienced very small numbers of infections with staff and residents. This stood us in good stead to protect our residents, families and teams and as a Charity we had a fifth of the level of infections compared to the rest of the UK and received very positive feedback from families;

"The reason we are writing is not just to thank you for doing such a diligent job in keeping mum happy and safe, it is a particular thanks for the compassion and care shown, not only to mum, but also that we as a family received."

We continue to ensure we apply for all relevant funding from the Government to ensure that we purchase all the PPE, infection control equipment needed and undertake significant and regular testing throughout all our homes.

Feedback on the care we provide
This tells us how important our Charity is in the County and some of the most recent feedback from families is heart-warming for our teams who work so hard to care for our residents;

"Having had experience of five other care homes with our step dad, the difference we found was astounding. I am sure you are rightly proud of the team there and we really don't want them to underestimate how much their care and thoughtfulness meant to us."

The Charity estimates that our work touches the lives of approximately 1,000 people every day in our County be that residents, families, staff, doctors as well as many others.

Risk Management
Each Trustee Committee is assigned certain risks from the Charity's Risk Register which are reviewed, documented and tested during the year. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors.

The Charity continued with regular external health and safety inspections to ensure operate a safe workplace for our residents, families and teams.

The continuing implementation of the Care Quality Commission and Local Authority Standards ensure a consistent quality of delivery for all operational aspects of the Charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity.

The four major risks to which the Charity is exposed are as follows:

Charity lacks strategic direction: To mitigate this risk the Charity ensures the Strategy is discussed at every Board meeting alongside twice-yearly Strategy Away Days. We met twice in 2021 and set our Strategic Direction for 2021-2025.

Inability to recover from a disaster: Annually the CEO, with the Senior Management Team and Home Managers, reviews and update the Business Continuity Plan for completeness. The Business Continuity Plan was reviewed and updated in December 2021.

Dependency on a narrow range of income sources: The Charity ensures it has an open relationship with the Local Government and has set-aside specific designated reserves should there be a change in Policy that affects income. The Charity is also looking at ways to diversify its income streams – we were particularly successful in generating other income, which helped us in furthering our Charitable Objects.

Significant IT problems: The Charity reviews its cyber security during the year to ensure it is robust and its disaster recovery plans are sound. All PC's, laptops and software security was upgraded during the year.

Financial Review

Closing occupancy for the Group in 2021 was 92.6% (2020: 78%) and on average for the year was 85% (2020: 85%).

Our absolute priority in 2021, alongside ensuring the safety of our residents and staff, was financial security; the Charity achieved a very positive result.

Total Income for the year was £12.1 million (2020: £11.6 million). Although fees did increase marginally in the year, our aim is to keep fees well below the average market rate and this forms part of our strategy that we make sure our Charity is affordable to as many people as possible in the County. We are bringing in additional income to ensure that we keep fee increases as small as possible and a detailed breakdown of how the increase has been calculated is sent to residents and their families. The additional funding from the Local Authority was used to offset the additional cost of working with Covid-19.

Our capital expenditure increased as we undertook works at all our homes. We acquired a residential property, Treadwell Court in Evesham, as an investment to underpin our core activities. Capital expenditure in the year was £684k (2020: £385k). This increase is partly attributable to catch up improvement works the fabric of all of the buildings as contractors were allowed access to the homes again.

Direct charitable activities expenditure was £10.5million (2020: £10.3million). However, we were able to reward our staff and for the eighth consecutive year we increased our team's wages by above inflation. Rewarding and caring for the people who care for our residents only improves the stability of the organisation and ultimately means our residents benefit from that stability. We were also pleased to give all staff a much deserved Christmas bonus once again.

Support Costs reduced slightly to 9.5% (2020: 9.75%) of income as we continue to ensure we operate the Charity in the most efficient way possible. We frequently review our overheads and support costs to ensure we always get best value for money for the Charity.

Financial assistance to residents increased as we helped more people overall in the year and we aimed to keep fees well below market averages. Across the year financial assistance was £1.8m (2020: £1.6m) as planned and in line with our strategy. This is the difference between the actual cost of caring for a person against the market rate or the fee if we were operating as a commercial organisation.

We work closely with our colleagues in Social Services and the NHS to help as many people as possible. Next year we envisage this increasing slightly as we widen our breadth of care.

If we were to exclude further investment in our investment properties, our cash balances increased by £147k in the period.

The Charity's surplus before depreciation and bank interest was £1.2million (2020 :£1.1million). The small variance on the prior year, in what continues to be a challenging time, is due to the close management of the Charity's financial position enabling us to further our objectives, invest and protect the strength of the organisation.

The Charity operates from a very strong platform of financial scrutiny, prudence and stability. Net Surplus was £403k for the year (2020: £325k).

With the aid of sound financial management and the support of our teams we generated a positive financial outcome for the period in what has been recognised nationally as some of the most challenging times in the adult social care sector.

Principal Funding Sources

The Charity's principal source of funding is from residents. That includes those who are self-funding, those paying a proportion of their care costs as deemed by the local authority, those fully funded by the local authority and those funded by the Clinical Commissioning Group. The Charity also received donations from local businesses, families and charitable events.

The Charity received donations and other contributions to costs from various organisations such as the RAF Benevolent Fund, Civil Service Benevolent Fund, the Royal Agricultural Benevolent Fund, and the St Andrews Society. The support from these organisations is hugely appreciated by the Board of Trustees.

Investment Policy

During the year, the Charity maintained its financial investments under a portfolio managed by Sanlam Wealth. In line with the Investment Policy, the primary objective is to preserve capital and generate prudent capital growth over the long term. During the year the Finance Committee conducted a review of the performance of the Charity's investment portfolio taking independent financial advice where needed.

The income and capital growth from these investments will be used to facilitate future plans and strategies of the Charity. At the year-end, these investments were valued at £656,926 (2020: £643,276).

The Investment Policy was extended in the year to incorporate the Charity's investment properties, consisting of Royal Gardens and Treadwell Court. The purpose of these investments is to underpin the core objectives by bringing in additional income.

Reserves Policy

Total reserves at 31 December 2021 were £10,266,350 (2020: £9,863,505). Designated funds were £1,250,000 (2020: £1,258,608) and General Unrestricted funds were £9,016,350 (2020: £8,604,897).

During the year, the Trustees continued with the policy of designating unrestricted funds for specific use without restricting or committing the funds legally. These funds as stated in note 18 to the financial statements are for varying uses, all of which have a purpose and timeline for expense.

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation.

It has established a policy whereby the unrestricted funds not assigned to tangible fixed assets held by the Charity ('Free Reserves' and 'Designated Funds' and Loan Balances) should cover only the essential operating costs of the Charity for a three-month period. The Trustees have set aside those reserves in order to protect the future operations of the Charity from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice.

The Charity has continued to invest substantial sums into the buildings in recent years and have a constant programme of refurbishment, development and investment to maintain excellent facilities for our Residents. The current level of Free Reserves and Designated Funds is £10,266,350 (2020: £9,863,505). The level of Free Reserves including tangible fixed assets is £22,016,037 (2020: £21,619,668).

The Charity reviews its insurance provision annually to ensure that it has in place substantial business interruption, building repair, flood/fire and damage policies, loss of income and loss of registration. This ensures we commit to being a very strong and stable organisation.

Regular updates and monitoring of these reserves is carried out to ensure that a surplus is achieved and cash flow is adequate for the needs of the Charity. During 2021, we ensured that the Charity held sufficient reserves during the pandemic.

Any amount over this is expected to be utilised principally to fund the further development of properties or provide additional services related to the provision of care to our residents.

Sustainability and the Environment
Lilian Faithfull Care actively monitors many aspects of its impact on the environment and takes mitigating action when possible.

For example, a recent Energy Savings Opportunity Scheme report highlights that the Charity is doing all that it can to make the buildings as energy efficient as possible.

This includes actively monitoring the efficiency of boilers which can be remotely adjusted to ensure peak performance.

The waste management programme monitors all types of waste and the levels of recycling that are achieved (for example in 2021 96% of skip waste was recycled). Water consumption is reduced with the installation of efficient equipment such as the Charity's 250 showers are fitted with high pressure – low volume handsets.

There are plans in place to replace the fleet of vehicles with hybrid or electric options.

Alternative renewable energy sources are also being actively considered at all our homes, including, solar power, ground source heating and biomass boilers.

The grounds are managed sympathetically with the environment and this year this has included training staff to become beekeepers so that beehives can be introduced to in the grounds of one of our homes.

Dormant Subsidiary
The Charity has a wholly-owned subsidiary, Lilian Faithfull Trading Limited. This Company will be used as part of a project in relation to recoverable VAT on certain expenditure. Lilian Faithfull Homes Limited is a second wholly owned subsidiary which did not trade during the current or preceding financial year and is a dormant company.

Plans for Future Periods
The Charity reviews its strategic objectives annually. The 2021 review resulted in a focused five-year strategic plan for the period 2021-2025.

In Summary:

Core Plans

- Ensure all our homes continue to be CQC compliant.
- Occupancy remains at least 90%.
- Generating a reasonable surplus to enable re-investment in the Charity and its staff.
- Increasing our profile across the County.

Strategic

- Explore further Day Care provision in the County.
- Explore the opportunity to grow the Charity through acquisition of suitable facilities.
- Diversify into new areas such as affordable housing and investigate other income sources.

Properties and services

- Continue with refurbishing our Estate, ensuring they are always fit for purpose.
- Promote our message and demonstrate our breadth of services and heritage.
- Investigate technology in care and partner with University of Glos and other bodies.
- Supporting more student nurses at St Faiths, Resthaven and Faithfull House.

Ultimately, all our strategic plans are detailed in our Strategic Direction Plan, for 2021-2025, which was approved by the Board of Trustees – the overarching theme being to provide a very safe and secure place to live and work at our Charity with the aim to help more people in our County.

Structure, Governance and Management
The Board of Trustees appoints a Chief Executive to manage the operational aspects of the Charity and they are supported by a Senior Management Team with key responsibilities made up of a Director of Care, Director of Finance and Director of HR. These roles are further supported by the following Committees, made up of Trustees:

Finance Committee
The purpose of this Committee is to take delegated responsibility on behalf of the Board for overseeing all financial aspects of the Charity in order to ensure short and long-term viability.

Quality, Care and HR Committee
The purpose of this Committee is to; review all external statutory reports, receive and consider all Nominated Individual Reports and report to the Board. Monitor complaints and comments and receive regular reports on this. Regularly review Safeguarding reports from the Senior Management Team and report to the Board.

Estates Committee
The Estates Committee (created in 2021) takes delegated responsibility on behalf of the Board for overseeing all development aspects of the current and future built environment and facilities comprising the operational estate as approved by the Board

Governance Committee
The purpose of this Committee (created in 2021) is to review the structure, size and composition of the Board regularly and to have responsibility for the recruitment and appointment of Directors. It also benchmarks locally and nationally and links with the QC/HR Committee over matters of mutual interest in setting a healthy workplace. It is responsible to the Board for the annual review of the Governance manual, for ensuring that Committees are properly constituted, and for ensuring that the Governance manual policies and procedures are followed.

Trustee Induction and Training
New Trustees undergo an orientation day where they tour the Homes, meet key employees and are introduced to the other Trustees. Trustees receive a copy of the Trustee Information Pack, which includes the Governance Manual, a copy of the Memorandum and Articles of Association, Committee Terms of Reference, the Strategic Plan, recent financial performance reports and a copy of CC3 - The Essential Trustee. There are plans for Charity Commission and legislation update training to take place in 2022.

Trustee Benefits
All Trustees give of their time freely and no remuneration was paid in the year. No Trustee or person connected with a Trustee received any benefits.

Recruitment of Staff and Employee Information
Staff are recruited from different sources which include; Advertisements in local press, 'Staff Get Staff' financial incentive scheme and Word of mouth. We actively promote the Lilian Faithfull Family. With over 50% of our new starters coming from existing staff recommendations, this is encouraging as people see us as a good place to work.

On successful completion of an interview new recruits are entered into a comprehensive induction programme over a one-week period followed by shadow support until they are competent to carry out their role. Throughout their first six months they are supported in a monthly new staff support group meeting with regular visits from our compliance officer.

In line with the Charity's policies, staff are selected to ensure suitability for the role irrespective of colour, race, ethnicity, disability, religion, sex or sexual orientation. The Charity undertook Gender Pay Gap reporting and successfully demonstrated that we are well below the UK average indices.

2021 continued to be a particularly challenging time for our teams and we concentrated on staff well-being and held a staff forum every two weeks during the pandemic to reassure our teams that we were here to help. Part of that programme where staff are regularly kept informed of the plans of the Charity, takes the form of information on the intranet, Staff Forums, regular staff meetings, staff Newsletter, social media and regular visits from the Director of Care and the Chief Executive.

We ended 2021 with our vacancy rate currently stands at 6% against an industry average of 12% and our staff turnover rate is 11.5% against an industry average of 40%.

Continuity of our staff base is critical to providing consistent care of the highest standards; in 2022, we will focus on attracting new staff to our sector and caring for our most important asset - our teams. Feedback from the staff survey told us:

"Always feel valued within the team. Encouraged to push myself further. Organisation and support during lockdown period was very good."

Governing Document
The organisation was incorporated as a private company limited by guarantee under the Companies Act 1985 on 31 December 2007. The Company was also registered as a charity on 31 December 2007. The Company is governed by its Memorandum and Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Charity Governance Code
The Trustees comprehensively reviewed the Charity Governance Code during the year and used our external auditors to conduct a review.

The Governance Manual was reviewed and a number of key policies were updated, namely; Equality, diversity and inclusion, specific roles and committees, risk management and board appraisals. The report back to the Board commented that, "good progress had been made on the governance manual and dealt with the areas that were highlighted."

The Board of Trustees will continue to review and adopt best practice and take advice and guidance where needed.

Fundraising disclosures
The Charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

The Trustees (who are also directors of Lilian Faithfull Care for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company, enables them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Hazlewoods LLP were appointed as auditors during the period, and a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the Audit report) of which the Charity's auditor is unaware.

Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Trustees' report comprising the Strategic Report and other information was approved by the Trustees on and signed on their behalf by:

By order of the Board

.....G.Pyatt.....
G Pyatt
Trustee

Date: 11.5.2022

Opinion

We have audited the financial statements of Lilian Faithfull Care for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 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 Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statement and our auditor's report thereon. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity's audit. We remain solely responsible for our audit opinion.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 December 2021 has been undertaken;
- Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
- Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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.



.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 19/5/2022

LILIAN FAITHFULL CARE
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
INCOME					
Income from:					
Donations and legacies	2	131,819	646,743	778,562	632,636
Charitable activities	3	11,145,858	-	11,145,858	10,907,841
Other trading activities – fundraising		-	-	-	3,578
Investments	4	116,160	-	116,160	51,308
Other income	5	16,051	-	16,051	25,553
Total income		11,409,888	646,743	12,056,631	11,620,916
Expenditure on:					
Raising funds:					
Investment manager's fees		4,627	-	4,627	5,448
Charitable activities	6	11,010,005	646,743	11,656,748	11,240,549
Total expenditure		11,014,632	646,743	11,661,375	11,245,997
Net gains/(losses) on investments		7,589	-	7,589	(50,109)
Net movement in funds		**402,845**	**-**	**402,845**	**324,810**
Reconciliation in funds					
Total funds brought forward		9,863,505	-	9,863,505	9,538,695
Net movement in funds		402,845	-	402,845	324,810
Total funds carried forward		10,266,350	-	10,266,350	9,863,505

The notes on pages 18 to 31 form part of these financial statements.

LILIAN FAITHFULL CARE
BALANCE SHEET (Company Number: 06461263)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	11,749,687	11,756,163
Investments	13	657,026	643,376
Investment property	12	1,599,235	560,000
Total fixed assets		14,005,948	12,959,539
CURRENT ASSETS			
Debtors	14	626,028	722,993
Cash at bank and in hand		1,074,219	1,354,594
		1,700,247	2,077,587
CREDITORS			
Amounts falling due within one year	15	(1,561,828)	(1,610,803)
NET CURRENT ASSETS / (LIABILITIES)		138,419	466,784
TOTAL ASSETS LESS LIABILITIES		14,144,367	13,426,323
CREDITORS			
Amounts falling due after more than one year	16	(3,878,017)	(3,562,818)
TOTAL NET ASSETS		10,266,350	9,863,505
CHARITY FUNDS			
Restricted funds	19	-	-
Unrestricted funds	18	10,266,350	9,863,505
Total funds		**10,266,350**	**9,863,505**

Approved by the Board for issue on 11.5.2022

Ms G Pyatt - Trustee

The notes on pages 18 to 31 form part of these financial statements.

LILIAN FAITHFULL CARE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	£	2021 £	£	2020 £
Cash used in operating activities					
Net cash provided by operating activities	21		981,133		1,171,091
Cash flows from investing activities					
Dividends, interests and rents from investments		116,160		51,308	
Purchase of tangible fixed assets		(684,482)		(386,705)	
Proceeds from sale of investments		248,721		670,453	
Purchase of investments		(246,649)		(699,052)	
Investment property additions		(1,039,235)		(16,276)	
Cash used in investing activities			(1,605,485)		(380,272)
Cash flows from financing activities					
Advance of bank loan			603,600		-
Repayments of borrowings			(251,490)		(133,894)
Net cash provided by / (used in) in financing activities			352,110		(133,894)
Change in cash and cash equivalents in the year			**(272,242)**		**656,925**
Cash and cash equivalents brought forward			1,364,365		707,440
Total cash and cash equivalents carried forward	**22**		**1,092,123**		**1,364,365**

The notes on pages 18 to 31 form part of these financial statements.

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, adopting the following principal accounting policies all of which are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities (SORP FRS102) issued in July 2014 and The Companies Act 2006.

The financial statements are presented in Pounds Sterling.

Company status

The Charity is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The company is subject to the requirements of the Companies Act 2006 with regards to the form and content of the financial statements.

The Charity is a private company, limited by guarantee (company no. 06461263 England and Wales) without share capital, and registered with the Charity Commission (registered number 1122183 in England and Wales).

The address of its registered office is:
Ground Floor West
Festival House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

This is also the registered address of its dormant subsidiaries Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited.

Consolidated financial statements

The financial statements do not include the consolidated financial results of the Charity and its subsidiary companies, Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited, on the grounds that the subsidiary company's results are immaterial to the group.

Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For long term finance the charity relies on bank loans, as disclosed in notes to the financial statements. In assessing going concern the Trustees have assumed that these bank loans will not be repaid for the foreseeable future (in line with the signed bank loan agreement) and are not aware of any circumstances that may adversely affect the renewal of these facilities. In preparing the financial statements, the Trustees have considered the potential impact of the ongoing Covid-19 pandemic on the going concern status of the Charity and have determined the impact on current and future performance of the Charity is minimal. The factors considered by the Trustees are documented in more detail within the Trustees report. The Trustees consider that there are no material uncertainties over the Charity's financial viability and, accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes; or
- Unrestricted designated funds, that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements; or
- Restricted funds, which are donations or legacies received where the donor has specified use solely for particular areas of the Charity's work or for specific projects undertaken. The specific restriction on each fund is set out in the financial statements.

ACCOUNTING POLICIES (continued)

Incoming resources

Investment income is recognised when received, or if declared and receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes home income recognised as earned (as the related goods or services are provided) under contract.

Rental income is included in the year in which it is receivable. Rent receivable from the investment property is classified as investment income.

Resources expended

Expenditure is accounted for as charitable activities being the provision of care. Within provision of care, costs are allocated between direct provision of care costs and support costs. The irrecoverable element of Value Added Tax is included with the item of expense to which it relates. Depreciation is allocated to expenditure headings on the basis of the use of the assets concerned.

Governance costs include cost of constitutional and statutory requirements, cost of Trustee meetings and the cost of any legal advice to the Trustees on governance or constitutional matters and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage.

Costs of raising funds are costs payable to third party investment managers that manage the Charity's investment portfolio.

Government grants

Grants from government bodies are reviewed for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received, and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

Taxation

The Company is an Exempt Charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 519 of the Income Tax Act 2007 (formerly Section 506(1) of the Taxes Act 1988). Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 524 of the Income Tax Act 2007 (formerly Section 505 of the Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Tax 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Ongoing projects may have additional costs below this value however they are capitalised as the overall cost of the project is over £1,000.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives in the following bases:

Freehold land	Nil
Freehold buildings	2 - 5% of cost per annum
Leasehold improvements	In line with the underlying lease
Fixtures and equipment	20% of cost per annum
Motor vehicles	20% of cost per annum

Investments

Fixed asset investments are included at market value at the Balance Sheet Date.

Gains and losses represent the movement in market values during the year and are credited of charged to the Statement of Financial Activities.

Unlisted investments are shown at cost unless there is a permanent diminution in value.

Investment Property

Investment properties are stated at freehold market value in the Balance Sheet at the reporting date. An independent professional third-party valuation is carried out at least every five years and prepared on an informal basis in the intervening period. Gains or losses are taken to the Statement of Financial Activities. No depreciation is charged on investment properties.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with financial institutions.

Debtors

Trade, other debtors and accrued income are recognised at the settlement amount due, and prepayments are valued at the amount prepaid.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors, taxation and social security, wages and salaries, other creditors and accruals are recognised at their settlement amount. Bank loans are recognised at amortised cost using the effective interest method.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors, creditors and loans. All investments held by the Charity also qualify as basic financial instruments.

Pension costs

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

ACCOUNTING POLICIES (continued)

Redundancy costs

Redundancy costs arising from periodic reviews of staff levels are charged to the Statement of Financial Activities in the year in which the Charity is demonstrably committed to the employees leaving the Charity.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to consider making significant judgements and estimates where necessary. The areas in which significant judgements and estimations have been made comprise of depreciation and the recoverability of debtors, and investment property valuation.

Useful economic lives of tangible fixed assets
The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See Note 11 for the carrying amount of the tangible fixed assets and above for the useful lives of each class of asset.

Impairment of debtors
The Charity makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Investment property valuation
The Charity will periodically engage third party experts to provide, and independent valuation of the investment properties held.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
	£	£	£	£
Donations				
General donations	131,819	10,500	142,319	94,368
Uplands merger – fair trade of donated trade and assets	-	-	-	14,698
Government grants	-	636,243	636,243	523,570
Total 2021	131,819	646,743	778,562	632,636

The government grant includes £63,623 (2020 - £209,645) related to the Coronavirus Job Retention Scheme and £572,620 (2020 - £313,925) to an Infection Control Grant.

3 PROVISION OF CARE

	2021	2020
	£	£
Residents' fees	11,133,905	10,889,728
Contributions to running costs	11,953	18,113
	11,145,858	10,907,841

Provision of care was unrestricted during this and the prior year.

4 INVESTMENT INCOME

	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£
Rental income	103,417	103,417	39,171
Income from listed investments	12,101	12,101	8,945
Interest receivable	642	642	3,192
	116,160	116,160	51,308

5 OTHER INCOME

The analysis of the Charity's other income for the year is as follows:

	Unrestricted funds 2021	Total funds 2021	Total funds 2020
	£	£	£
Voluntary income, other income, gift aid	16,051	16,051	25,553
	16,051	16,051	25,553

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

	Activities undertaken directly 2021	Support costs 2021	Total 2021	Total 2020
	£	£	£	£
Care costs	5,181,648	-	5,182,546	5,100,871
Welfare	3,388,277	-	3,388,277	3,191,742
Premises	1,943,698	-	1,943,698	1,871,723
Support costs	-	1,147,752	1,147,752	1,076,213
Total	10,513,623	1,147,752	11,661,375	11,240,549

Analysis of direct costs

	Care Costs 2021 £	Welfare 2021 £	Premises 2021 £	Total 2021 £	Total 2020 £
Staff costs	4,466,159	2,350,804	121,479	6,938,442	7,098,707
Depreciation	-	-	607,586	607,586	670,477
Contract catering	-	428,880	-	428,880	407,753
Establishment costs	-	-	556,341	556,341	477,658
Repairs and maintenance	-	-	658,292	658,292	592,700
Advertising	-	52,207	-	52,207	46,553
Office expenses	-	95,733	-	95,733	84,979
Subscriptions and publications	-	30,646	-	30,646	27,758
Equipment hire	-	17,933	-	17,933	9,806
Residents' welfare and Activities	-	30,653	-	30,653	39,463
Cleaning, medical costs, Uniforms	-	157,772	-	157,772	228,327
Motor expenses	-	27,478	-	27,478	26,237
Other employment costs	-	161,483	-	161,483	126,586
Agency costs	715,489	34,688	-	750,177	327,332
Total	5,181,648	3,388,277	1,943,698	10,513,623	10,164,336

Analysis of support costs

	Care costs 2021 £	Total 2021 £	Total 2020 £
Staff costs	823,578	823,578	843,320
Printing, postage and stationery	33,036	33,036	49,933
Legal and professional costs	111,183	111,183	79,840
Bank charges & interest	78,750	78,750	83,980
Governance costs	17,833	17,833	19,140
Depreciation	83,372	83,372	-
	1,147,752	1,147,752	1,076,213

Governance costs comprise auditor's remuneration of £17,503 (2020 - £19,140) and Trustees' expenses £330 (2020 - £Nil)

7 TAXATION

The company is a registered charity and is therefore entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

8 AUDITOR'S REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's Annual accounts	17,103	16,225
Fees payable to the Company's auditor in respect of: All non-audit services not included above	400	266
	17,503	16,491

Within the £17,103 related to the audit fee is £1,500 for accounts preparation.

9 EMPLOYMENT COSTS

	2021 £	2020 £
Wages and salaries	7,101,939	7,271,516
Social security costs	519,897	530,275
Contribution to defined contribution pension schemes	140,184	140,235
	7,762,020	7,942,026

During the year, no (2020 – two) Redundancy and Termination payments (including salary, notice and accrued holiday pay) were made, totalling £nil (2020 - £29,292).

The average number of persons employed by the Company during the year was as follows:

	2021 No.	2020 No.
Head count	410	434

The number of employees whose employee benefits exceeded £60,000 was:

	2021 No.	2020 No.
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

The key management personnel (other than the Trustees who are not remunerated) of the Charity are the Chief Executive Office, the Director of Care, Director of Human Resources and the Director of Finance. The remuneration for this team totals £308,523 (2020 - £307,321). This includes gross salary, benefits, employer's national insurance and employer's pension contributions.

10 TRUSTEE'S REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (£2020 - £Nil).

During the year ended 31 December 2021, expenses totalling £330 were reimbursed or paid directly (2020 – £Nil).

11 TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Improvements	Motor Vehicles	Fixtures and Equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2021	11,391,707	4,595	186,447	4,068,138	15,650,887
Additions	51,638	-	16,750	616,094	684,482
Disposals	-	-	(19,513)	(252,433)	(271,946)
At 31 December 2021	11,443,345	4,595	183,684	4,431,799	16,063,423
Depreciation					
At 1 January 2021	859,004	914	153,132	2,881,674	3,894,724
Charge for the year	175,622	1,097	12,454	501,785	690,958
Eliminated on disposal	-	-	(19,513)	(252,433)	(271,946)
At 31 December 2021	1,034,626	2,011	146,073	3,131,026	4,313,736
Net book value					
At 31 December 2021	10,408,719	2,584	37,611	1,300,773	11,749,687
At 31 December 2020	10,532,703	3,861	33,315	1,186,464	11,756,163

12 INVESTMENT PROPERTY

	Freehold Investment Property
	£
Valuation	
At 1 January 2021	560,000
Additions	1,039,235
At 31 December 2021	1,599,235

The Trustees have reviewed the value of the investment properties and consider that costs represent the fair value at 31 December 2021. The investment properties are valued by an independent, third party valuer on a quinquennial basis.

The property held at the start of the year was last valued based on an adjusted net rental income capitalisation approach on 11 January 2021 by Philip J Pratt BSc MRICS of Alder King LLP. As he is a related party, the Trustees of the Finance Committee have approved the valuation on behalf of the Board.

The property acquired during the year, Tredwell Court which is made up of nine flats for private rental, was valued using comparable and investment methods of valuation on 23 November 2020 by Bruce P Fenley BSc (Hons) MRICS of Ash Chartered Surveyors.

13 FIXED ASSET INVESTMENTS

	Investments In Subsidiary company £	Listed Investments £	Total £
Cost or valuation			
At 1 January 2021	100	643,276	643,376
Additions	-	246,649	246,649
Disposals	-	(248,721)	(248,721)
Revaluations	-	7,589	7,589
Movement on cash held for reinvestment	-	8,133	8,133
At 31 December 2021	100	656,926	657,026

At year end cash held by the investment managers totalled £17,858 (2020 – £9,771).

Lilian Faithfull Trading Limited is a wholly owned subsidiary of the Charity. Lilian Faithfull Trading Limited did not trade during the current or preceding financial year and therefore made neither profit nor loss. As at 31 December 2021, the entity had total Shareholders' Funds of £1,029 (2020 - £1,029).

Lilian Faithfull Homes Limited is a second wholly owned subsidiary. Lilian Faithfull Homes Limited did not trade during the current or preceding financial year and is a dormant company.

14 DEBTORS

	2021 £	2020 £
Trade debtors	475,914	412,520
Other debtors	10,052	34,459
Prepayments and accrued income	140,062	276,014
	626,028	722,993

15 CREDITORS – amounts falling due within one year

	2021 £	2020 £
Bank loans	268,359	231,448
Trade creditors	251,806	391,861
Other taxation and social security	285,741	275,063
Other creditors	537,380	633,162
Accruals and deferred income	218,542	79,269
	1,561,828	1,610,803

16 CREDITORS – amounts falling due after more than one year

	2021 £	2020 £
Bank loans	3,878,017	3,562,818

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	782,051	232,409
Between two and five years		
Bank loans	2,609,884	703,412
Over five years		
Bank loans	486,082	2,626,997

At 31 December 2021, there were three (2020 - two) bank loan balances of £2,745,898, £819,970 and £580,508 (2020 - £2,929,180, £865,086 and nil respectively).

The first loan is secured by legal charge over Royal Court, Fiddler's Green, Cheltenham, Gloucestershire and a legal charge over St Faith's Nursing Home, Malvern Road, Cheltenham, Gloucestershire, and bears interest of 1.58%. The second loan is secured by means of a legal charge over Resthaven Nursing Home, Pitchcombe, Stroud, Gloucestershire, and bears interest of 1.95%. The third loan has no additional securities to those already listed and bears a floating rate interest charge.

17 FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	656,926	643,276

Financial assets measured at fair value through income and expenditure comprise listed investments. All other financial assets and liabilities are measured at amortised cost.

18 FUNDS

	At 1 January 2021	Incoming resources	Outgoing resources	Transfers	Gains / (losses)	At 31 December 2021
	£	£	£	£	£	£
Designated funds						
Emergency Maintenance Fund	750,000	-	-	-	-	750,000
Assisted Places Fund	500,000	-	-	-	-	500,000
Staff Fund	-	4,940	(4,940)	-	-	-
Residents' Fund	8,608	620	(9,228)	-	-	-
	1,258,608	5,560	(14,168)	-	-	1,250,000
General funds						
Free Reserves	(3,725,964)	11,404,328	(10,581,452)	(1,437,073)	7,589	(4,332,572)
Tangible fixed assets	11,756,163	-	(419,012)	412,536	-	11,749,687
Investment property	560,000	-	-	1,039,235	-	1,599,235
Merger reserve	14,698	-	-	(14,698)	-	-
	8,604,897	11,404,328	(11,000,464)	-	7,589	9,016,350
Total unrestricted funds	**9,863,505**	**11,409,888**	**(11,014,632)**	**-**	**7,589**	**10,266,350**

Designated funds

Emergency Maintenance Fund
This fund has been set up to fund required maintenance of the Lilian Faithfull Care Estate.

Assisted Places Fund
This fund has been set up to allow the Charity to help existing residents once they no longer afford to privately fund their place at the home. It is envisaged that this fund will primarily be used to fund residents where there is a legislation change around funding and we will need to support them financially.

Staff Fund
This fund is made up of donations from relatives of residents who have given money as a thank you to the staff of Lilian Faithfull Care.

Residents' Fund
This fund is made up of donations from relatives of residents who have given money to assist residents during their time at Lilian Faithfull Care.

19 RESTRICTED FUNDS

	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Transfer in the year £	At 31 December 2021 £
Legacies	-	10,500	(10,500)	-	-
Infection control grant	-	636,243	(636,243)	-	-
	-	643,743	(643,743)	-	-

Restricted Funds

Infection Control Grant
Government funding received via the Local Authority to support adult social care providers to reduce the rate of COVID-19 transmission in and between care homes and support wider workforce resilience. The Trustees consider that these funds were fully utilised in 2021.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2021 £	Total Funds 2020 £
Tangible fixed assets	11,749,687	11,756,163
Fixed asset investments	657,026	643,376
Investment property	1,599,235	560,000
Current assets	1,700,247	2,077,587
Creditors due within one year	(1,561,828)	(1,610,803)
Creditors due in more than one year	(3,878,017)	(3,562,818)
Total	10,266,350	9,863,505

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the period	402,845	324,810
Adjustments for:		
Depreciation charges	690,958	670,477
(Gains)/losses on investments	(7,589)	50,109
Dividends, interests and rents from investments	(116,160)	(51,308)
Decrease/(increase) in debtors	96,965	(56,739)
(Decrease)/increase in creditors	(85,886)	233,742
Net cash provided by operating activities	981,133	1,171,091

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash in hand	1,074,219	1,354,594
Cash held for reinvestment	17,904	9,771
Total cash and cash equivalents	**1,092,123**	**1,364,365**

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	1,364,365	(272,242)	1,092,123
Debt due within 1 year	(231,448)	(36,911)	(268,359)
Debt due after 1 year	(3,562,818)	(315,199)	(3,878,017)
	(2,429,901)	(624,352)	(3,054,253)

24 PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charity to the scheme and amounted to £140,184 (2020 - £140,235). At the end of the year outstanding contributions amounted to £nil (2020 - £35,647) as included within other creditors. All pension charges are charged to unrestricted funds, in line with the fund out of which the wages and salaries are paid.

25 OPERATING LEASE COMMITMENTS

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Land and buildings		
Within 1 year	57,068	29,814
Between 1 and 5 years	144,624	104,349
After more than 5 years	-	-
Total	201,692	134,163
Plant and machinery		
Within 1 year	115,456	116,650
Between 1 and 5 years	306,059	337,631
After more than 5 years	24,124	46,089
Total	445,639	500,370

26 RELATED PARTY TRANSACTIONS

At 31 December 2021 the Charity owed £864 (2020 – £864) to Lilian Faithfull Trading Limited, its subsidiary undertaking. The loan is interest free and has no fixed repayment terms.

27 POST BALANCE SHEET EVENTS

There are no post balance sheet events to disclose.

LILIAN FAITHFULL CARE

England & Wales - Charity number 1122183

Accounts

Registered Company Number: 06461263
Registered Charity Number: 1122183

LILIAN FAITHFULL CARE
(A Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

LILIAN FAITHFULL CARE
(A COMPANY LIMITED BY GUARANTEE)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES

Mrs J E Ballinger, Chair of Finance[1]
Ms G Pyatt, Chair
Mr G H Parry[1]
Mrs E Fox[2]
Mrs J Woodley[2]
Mr A J B Bishop[1]
Mrs F Court[2]
Mr M D Smith[1]
Dame J Trotter
Mr P Pratt[2]
Mr J Colquhoun (appointed as a temporary co-opted Trustee 1 March 2020)

[1] Finance Committee
[2] Quality Care and HR Committee

Company Secretary

Mr G H Parry

Principal address and Registered Office

Ground Floor West
Festival House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

Registered Company Number

06461263

Registered Charity Number

1122183

Chief Executive Officer

Mr M Hughes

Independent Auditor

Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Bankers

Barclays Bank
128 High Street
Cheltenham
Gloucestershire
GL50 1EL

Solicitors

Willans Solicitors
28 Imperial Square
Cheltenham
Gloucestershire
GL50 1RH

BPE Solicitors LLP
St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

The Trustees of Lilian Faithfull Care (LFC) present their Annual Report for the year ended 31 December 2020 in accordance with FRS 102, the Charities SORP (FRS 102), the Companies Act 2006, the Charities Act 2011 and the Care Quality Commission (CQC). The Trustees are also approving the Strategic Report in their capacity as company directors. The company was incorporated in England and Wales and its Registration Number is 06461263 and Charity Number is 1122183.

Our Aim and Public Benefit

Our Charity's aim, as set out in the objects contained in the Charity's memorandum of association is "to relieve elderly persons in necessitous circumstances upon terms appropriate to their means, and to provide for aged persons in need thereof, accommodation and any associated amenities specifically designed or adapted to meet the disabilities and requirements of such persons". In broader terms this can be summarised as to provide a safe, friendly and supportive environment for older people at our affordable housing, assisted living, residential and nursing homes and community facilities across the County of Gloucestershire.

Public Benefit

Our public benefit is to open the services of LFC to all, irrespective of their means to pay, within the limits of our budgeted funds. We cover our operational costs by charging fees and we aim to make a small surplus, 3% for 2020 (3.7% in 2019) to fund our public benefit. We benchmark our fees to private funders and ensure they are below the market rates, our staffing ratios are higher, our spend on food and nutrition far increased on industry averages and our activity provision covers seven days a week.

We provide more support to those funded by Social Services than any other provider in Cheltenham and are one of the largest providers of social care in the County. We offer our families and residents a 'Home for Life' and continuity of care irrespective of their financial circumstances.

The Charity also provides free advice, support and guidance for families through its community events, Day Centres, Meeting Centres and our Memory Awareness Support Team (MAST) throughout Gloucestershire. Average occupancy for the year across the five homes was 218 for the full year which demonstrates the demand for our services. Of this number, Lilian Faithfull provided financial support to, on average, 73 residents and 5-day care guests and residents (2019: 80 residents).

Our services were also in high demand from the NHS and Clinical Commissioning Groups during the pandemic, for example, during December we admitted seven residents on the same day to ease pressure on the local hospitals at reduced fee rates to ensure we helped people rehabilitate in our homes rather than hospital.

Strategic Report

Ensuring Our Work Delivers Our Aim

We review our aims, objectives and activities twice a year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remain focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Strategic Objectives

Our strategic objectives for 2020 were:

Core Plans

- Ensure all our homes continue to be CQC compliant.
  All our Homes have been inspected and are rated Good by the Care Quality Commission.

- Occupancy remains at least 90%.
  Due to the Covid-19 pandemic we failed to achieve our objective. Occupancy for the year remained above industry averages at 85% and we liaised extensively with our partners in the NHS and Local Authority to help wherever we could.

- Generating a reasonable surplus to enable re-investment in the Charity and its staff.
  Surplus was 3% of income and we increased our staff's wages for the 8th consecutive year, whilst continuing investment in our facilities and new equipment for the benefit of our residents.

- Increasing our profile across the County.
  We have become one of the best-known charities in the county through events and promotion of our charitable work. We were the first Group to offer all 200+ residents the opportunity to be vaccinated against Covid-19 during the year, which received wide-ranging publicity of our charitable works.

Growth and Development

- Explore further Day Care provision in the County.
  We merged the Uplands Day Care service in Stroud into our Charity in the year. The service provides day care for the community in Stroud and further widens our breadth of care in the County.

Properties and Services

- Continue with refurbishing our estate, ensuring they are always fit for purpose.
  We ensured our homes were safe during the pandemic period, purchasing additional equipment and adapting the properties where needed to improve the environment for our residents and families.

- Develop our brand to demonstrate our breadth of services and heritage.
  We have been experiencing a significant surge in our services and also requests for help and advice. During the year the Charity was seen as a beacon of excellence in keeping older and vulnerable people safe.

- Investigate technology in care with the University of Gloucester and other bodies.
  We took part in the trial of the Genie companionship robot at Royal Court which was hugely successful. We continued to look at all advanced in technology to promote well-being and the ability of our teams to spend more times with our residents.

- Supporting more student nurses at St Faiths, Resthaven and Faithfull House.
  Our work with the University to help train the next generation of nurses has been a tremendous success. In partnership we have undertaken 11 student nurses placements this year and have plans to adopt this at more of our homes in 2021.

- Developing our teams.
  We continued to offer a wide range of promotion and training opportunities. During 2020 we provided Nursing Associate qualifications at all our homes.

How Our Activities Achieve Our Aim and Public Benefit

The Charity is one of the largest providers of Social Care for the elderly in Gloucestershire; caring for more residents who have limited resources than any other provider. The Local Authority and the regulator deem us a 'difficult to replace' care provider – this means that our services are vital to the Community and the County. We also supported those with limited resources by £1.6million in 2020 up from £1.5million in 2019.

The Charity stands by its commitment of 'A Home for Life' as we ensure that all our residents stay with us irrespective of their financial status. Those with little or no financial resources can apply to Social Services to pay the bulk of their fees. However, the amount that Social Services will pay is less than the actual cost of providing the required care at LFC. In the absence of help from family or other sources of support, such residents will have a shortfall in fees made up from LFC's own resources. We will not ask any resident to leave due to a financial circumstance.

Our aim is to provide exceptional care and support for our residents and families irrespective of financial means.

We expect the number of older people aged 65 and over in Gloucestershire to continue to rise at a faster pace than nationally, rising from 126,800 in 2015 to 206,300 by 2039. An estimated 25,400 older people have a long-term illness or disability that limits their day-to-day activities. The number is predicted to rise to 39,000 by 2030.

An estimated 12,700 people aged 65+ in Gloucestershire feel lonely always or often. The number of people living alone is estimated to increase by about a fifth from 33,800 to 41,000. This means that more people are likely to need support; research shows that when people are isolated and lonely their wellbeing is affected and they are more likely to need health and social care services in the future.

Our active liaison with local community groups and with the Social Services has helped significantly in reducing those concerns and has created better local understanding of our work. We are very grateful for the community support the Charity receives from local businesses, schools and organisations which enhances our residents' lives on a daily basis

During the year we were seen as some of the safest places for residents to live and our staff to work in the County.

Effect of Covid-19 During 2020 and Actions the Charity Undertook

The Charity took decisive action at the start of the pandemic. During February 2020 we purchased significant amounts of PPE and closed the doors to the homes to protect residents, two weeks prior to the first lockdown being announced.

We purchased additional antiviral machines and cleaning equipment and our own testing and antibody kits. We also ensured staff were cohorted to a single location from the outset.

The Charity operated with extreme prudence and ensured we received all the additional funding from the Local Authority and Central Government to offset the additional cost of working.

This stood us in good stead to protect our residents, families and teams and as a Charity we had a fifth of the level of infections compared to the rest of the UK and received very positive feedback from families;

"I would like to congratulate the staff and residents at Lilian Faithfull through the last six months. The care of the residents was utmost with all the staff. So much effort was given to entertainment and making sure the residents were 'happy'. I cannot praise them all enough."

We also partnered with the NHS and Gloucestershire County Council in the vaccination program and were the first homes in the County to vaccinate all 200+ residents and over 60% of staff during December.

At the start of 2021, we are seeing occupancy in the Group increase slowly as our homes are seen as some of the safest places to live and work in the County.

Feedback on the care we provide
This tells us how important our Charity is in the County and some of the most recent feedback from families is heart-warming for our teams who work so hard to care for our residents;

"Throughout this year with a major pandemic to deal with, I feel that the Lilian Faithfull group (particularly Royal Court where my mother has lived for 18 months) has acted with professionalism where the safety of its residents has been paramount."

"Wow. The staff at this home go above and beyond what is expected of them, always having a smile and chat and the best bit, they do not rush the time they have with residents giving high-class care to all. Care is always at the forefront of what they do, from day trips to holidays and daily activities it's a home from home. I would thoroughly recommend them."

The Charity estimates that our work touches the lives of approximately 1,000 people every day in our County, be that residents, families, staff, doctors as well as many others.

Risk Management

Each Trustee Committee is assigned certain risks from the Charity's Risk Register which are reviewed, documented and tested during the year. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors. The continuing implementation of the Care Quality Commission and Local Authority Standards ensure a consistent quality of delivery for all operational aspects of the Charity. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity.

The major risks to which the Charity is exposed are as follows:

- Charity lacks direction: To mitigate this risk the Charity ensures the Strategy is discussed at every Board meeting alongside twice-yearly Strategy Away Days. We met twice in 2020 and set our Strategic Direction for 2020-2024.

- Disaster Recovery & Planning: Annually the CEO, with the Senior Management Team and Home Managers, reviews and updates the Business Continuity Plan for completeness.

- Dependency on Income sources: The Charity ensures it has an open relationship with the Local Government and has set-aside specific designated reserves should there be a change in Policy that affects income. The Charity is also looking at ways to diversify its income streams – we were particularly successful in generating other income which helped us in furthering our Charitable Objects.

- IT: The Charity reviews its Cyber Security during the year to ensure it is robust and its disaster recovery plans are sound. We continue to upgrade our infrastructure during the year.

Financial Review

Occupancy for the Group in 2020 was 85% (2019: 91%), which was below our set budget. Occupancy remains fairly high as a Group, but naturally impacted by the pandemic.

Our absolute priority in 2020, alongside ensuring the safety of our residents and staff was financial security; the Charity achieved a very positive result with a net increase in cash during 2020 of £657k.

Total Income for the year was £11.6million (2019: £11.5million). Although fees did increase marginally in the year, our aim is to keep fees well below the average market rate and this forms part of our strategy that we make sure our Charity is affordable to as many people as possible in the County. We are bringing in additional income to ensure that we keep fee increases as small as possible. The funding from the Local Authority was used to offset the additional cost of working.

The reduction in residents fee income relates to all our homes experiencing a drop in occupancy during the peak of the pandemic.

Our Capital Expenditure dropped considerably in the year to £387k (2019: £989k), however the Charity continued to invest in the facilities and improve safety and the fabric of all of the buildings where required.

Charitable activities expenditure was £11.2million (2019: £11.1million). A natural reduction linked directly to occupancy. However, we were able to reward our staff and for the eighth consecutive year we increased our team's wages by above inflation. Rewarding and caring for the people who care for our residents only improves the stability of the organisation and ultimately means our residents benefit from that stability.

Support Costs remained at 9.5% (2019: 8.0%) of income as we continue to ensure we operate the Charity in the most efficient way possible utilising as much of our resources as possible to deliver care. We reviewed all our overheads and support costs to ensure we always get best value for money for the Charity. Our support costs increased by £44k compared to last year.

Financial assistance to residents increased as we helped more people overall in the year and we aimed to keep fees well below market averages. At the end of the year financial assistance was £1.6million (2019: £1.5million) as planned and in line with our strategy. This is the difference between the actual cost of caring for a person against the market rate or the fee if we were operating as a commercial organisation. We work closely with our colleagues in Social Services and the NHS to help as many people as possible. Next year we envisage this increasing slightly as we widen our breadth of care.

Due to our razor-sharp eye on the financial situation and ensuring we operated as efficiently as possible during the year, and applying for Government funding offered, our cash balances increased by £657k in the period.

The Charity's surplus before depreciation and bank interest was £1.1million (2019: £1.0million). The small variance on the prior year, in what continues to be a challenging time, is due to the close management of the Charity's financial position enabling us to further our objectives, invest and protect the strength of the organisation.

The Charity operates from a very strong platform of financial scrutiny, prudence and stability. Net Surplus was £325k for the year (2019: £477k).

With the aid of sound financial management and the support of our staff we generated a positive financial outcome for the period in what has been recognised nationally as some of the most challenging times in the Adult Social Care sector.

Principal Funding Sources
The Charity's principal source of funding is from residents. That includes those who are self-funding, those paying a proportion of their care costs as deemed by the local authority, those fully funded by the local authority and those funded by the Clinical Commissioning Group. The Charity received donations and other contributions to costs from various organisations such as the RAF Benevolent Fund, Civil Service Benevolent Fund and the Royal Agricultural Benevolent Fund. The support from these organisations is hugely appreciated by the Board of Trustees.

Investment Policy
During the year, the Charity maintained its investments under management of Sanlam Wealth. In line with the Investment Policy, the primary objective is to preserve capital and generate prudent capital growth over the long term. The income and capital growth from these investments will be used to facilitate future plans and strategies of the Charity. At the year-end these investments were valued at £643k (2019: £640k).

The Charity also holds an investment property which is based on the same site as the Royal Court Care Home. This building consists of four flats, that are rented on the open market to private tenants, and a Daycentre. The income from the flats is used to underpin our core charitable objectives. Within the year the decision was made to convert the Royal Gardens Daycentre into a fifth flat due to its closure and subsequent loss of income during the pandemic and its value and assets were moved from the asset register to investment property within the balance sheet. As part of the year end property re-valuation there was a £47k drop between valuation report and the costs held within the investment property in the balance sheet.

Overall total investments dropped in value by £50k in the year.

Reserves Policy
Total reserves at 31 December 2020 were £9.9million (2019: £9.5million), of which £nil (2019: £nil) were Restricted. Of the Unrestricted Reserves Designated funds were £1.3million (2019: £1.3million) and General Unrestricted funds were £8.6millIion (2019: £8.3million).

During the year the Trustees continued with the policy of designating unrestricted funds for specific use without restricting or committing the funds legally. These funds as stated in note 18 to the financial statements are for varying uses, all of which have a purpose and timeline for expense.

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation.

It has established a policy whereby the unrestricted funds not assigned to tangible fixed assets held by the Charity ('Free Reserves' and 'Designated Funds') should cover only the essential operating costs of the Charity for a three-month period. The Trustees have set aside those reserves in order to protect the future operations of the Charity from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice.

The Charity has continued to invest substantial sums into the buildings in recent years and have a constant programme of refurbishment, development and investment to maintain excellent facilities for our Residents. As a result of the purchase of Royal Court in 2016 the Charity entered into a £3.4m loan (at the end of 2020: £2.9m), and with the merger of Resthaven in 2017 brought in a bank loan of £1m (at the end of 2020: £865k). As part of the Reserves policy it has been agreed that this amount is added back to the Free Reserves figure stated in note 18.

The current level of Free Reserves and Designated Funds is £1.9million (2019: £1.3million). The level of Free Reserves including tangible fixed assets is £13.6million (2019: £13.5million).

The Charity reviews its insurance provision annually to ensure that it has in place substantial business interruption, building repair, flood/fire and damage policies, loss of income and loss of registration. This ensures we commit to being a very strong and stable organisation.

Regular updates and monitoring of these reserves is carried out to ensure that cash flow is adequate for the needs of the Charity. During 2020, we ensured that the charity held sufficient reserves during the pandemic. Any amount over this is expected to be utilised principally to fund the further development of properties or provide additional services related to the provision of care to our residents.

Dormant Subsidiary

The Charity has two wholly-owned dormant subsidiaries, Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited.

Plans for Future Periods

The Charity reviews its strategic objectives annually which resulted in a focused five year strategic plan for the period 2020-2024 being set.

In Summary:

Core Plans

- Ensure all our homes continue to be CQC compliant.
- Occupancy remains at least 90%.
- Generating a reasonable surplus to enable re-investment in the Charity and its staff.
- Increasing our profile across the County.

Strategic

- Explore further Day Care provision in the County.
- Explore the opportunity to grow the Charity through acquisition of suitable facilities.
- Diversify into new areas such as affordable housing and investigate other income sources.

Properties and services

- Continue with refurbishing our estate, ensuring it is always fit for purpose.
- Promote our message and demonstrate our breadth of services and heritage.
- Investigate technology in care and partner with University of Glos and other bodies.
- Supporting more student nurses at St Faiths, Resthaven and Faithfull House.

Ultimately all our strategic plans are detailed in our Strategic Direction Plan, for 2020-2024, which was approved by the Board of Trustees – the overarching theme being to provide a very safe and secure place to live and work at our Charity with the aim to help more people in our County.

Structure, Governance and Management

The Board of Trustees appoints a Chief Executive to manage the operational aspects of the Charity who is supported by a Senior Management Team made up of a Director of Care, Director of Finance and Director of HR. These roles are further supported by the following Committees, made up of Trustees:

Finance Committee
The purpose of this Committee is to take delegated responsibility on behalf of the Board for overseeing all financial aspects of the Charity in order to ensure short and long-term viability.

Quality, Care and HR Committee
The purpose of this Committee is to; review all external statutory reports, receive and consider all Nominated Individual Reports and report to the Board. Monitor complaints and comments and receive regular reports on this.

Salaries and Benchmarks
The Charity reviews its care operation salaries and Senior Management Team against industry standards and independent care focus groups such as the National Care Forum.

Recruitment and Appointment of Directors
The directors of the Company are also Trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the Trustees are elected to serve for a period of three years, up to a maximum of twelve years. The longest serving Trustees are required to retire in rotation at the AGM and can put themselves for re-election if they wish.

Trustees seek to ensure that the needs of this group are appropriately reflected through the diversity of the Board of Trustees. The more traditional business and Care Sector skills are well represented on the Board of Trustees. In an effort to maintain this broad skill mix, members of the Board are requested to provide a list of their skills (and update it each year).

In the event of particular skills being lost due to retirements, suitable replacements are sought by placing advertisements in the local press. Applications are put before the Heads of each Committee for selection before interview and any appointment.

In line with the Charity's policies, Trustees are selected to ensure suitability for the role irrespective of colour, race, ethnicity, disability, religion, sex or sexual orientation.

Trustee Induction and Training
New Trustees undergo an orientation day where they tour the Homes, meet key employees and are introduced to the other Trustees. Trustees receive a copy of the Trustee Information Pack, which includes the Governance Manual, a copy of the Memorandum and Articles of Association, Committee Terms of Reference, the Strategic Plan, recent financial performance reports and a copy of CC3 - The Essential Trustee.

This year the Board of Trustees undertook specific Safeguarding training and updates from a specialised trainer at Gloucestershire Constabulary. There are plans for Charity Commission and legislation update training to take place in 2021.

Trustee Benefits
All Trustees give of their time freely and no remuneration was paid in the year. No Trustee or person connected with a Trustee received any benefits.

Recruitment of Staff and Employee Information
Staff are recruited from different sources which include; Advertisements in local press, 'Staff Get Staff' financial incentive scheme and Word of mouth. We actively promote the Lilian Faithfull Family. With over 50% of our new starters coming from existing staff recommendations, this is encouraging as people see us as a good place to work.

On successful completion of an interview new recruits are entered into a comprehensive induction programme over a one week period followed by shadow support until they are competent to carry out their role. Throughout their first six months they are supported in a monthly new staff support group meeting with regular visits from our compliance officer.

In line with the Charity's policies, staff are selected to ensure suitability for the role irrespective of colour, race, ethnicity, disability, religion, sex or sexual orientation. The Charity undertook Gender Pay Gap reporting and this demonstrated that we are well below the UK average indices.

During this year we concentrated on staff well-being and held a staff forum every two weeks during the pandemic to reassure our teams that we were here to help. Part of that program where staff are regularly kept informed of the plans of the Charity, takes the form of information on the intranet, Staff Forums, regular staff meetings, staff Newsletter, social media and regular visits from the Director of Care and the Chief Executive. The Human Resources team also holds a monthly clinic in each Home to discuss any matters arising.

We ended 2020 with the lowest vacancy rate since 2014 at only 12 vacancies across all five homes. Our vacancy rate currently stands at 4% against an industry average of 10.1% and our staff turnover rate is 11.5% against an industry average of 40%, albeit Gloucestershire fares slightly better at 34%. Average length of service is currently 5.6 years with over a third of our teams having been with us for over five years.

The second annual staff survey showed improvement in all areas particularly that 98% of staff would recommend the Charity as a good place to work, up from 97% the prior year.

Feedback from the staff survey told us:

"A fantastic organisation to work for. An organisation that clearly respects, supports and actively encourages its employees to develop" and "I feel that the Charity looks after the staff extremely well, both mentally and financially, they are a very caring and considerate employer with their employees' best interests at the forefront of their ethos"

Governing Document
The organisation was incorporated as a Private Limited Company under the Companies Act 1985 on 31 December 2007. The Company was also registered as a charity on 31 December 2007. The Company is governed by its Memorandum and Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Charity Governance Code
The Charity Governance Code was reviewed by the Trustees during the year, and it was felt that no changes need to be made to LFC's governance at this point, although this will be kept under review. A Governance Manual is maintained by the Charity with advice from its retained solicitors. The Manual also provides the framework for general management policies, financial policies and Terms of Reference for the Board and its Committees.

Fundraising disclosures
The Charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Lilian Faithfull Care for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company, enables them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as each of the Trustees of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the Audit report) of which the Charity's auditor is unaware.

Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Trustees' report comprising the Strategic Report and other information was approved by the Trustees on and signed on their behalf by:

Ms G Pyatt MBE

Date 12th May 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILIAN FAITHFULL CARE

Opinion

We have audited the financial statements of Lilian Faithfull Care (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information cotnained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustee's responsibilities statement set out on page 16, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were the Care Quality Commission.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of resident's income, recording the impact of the CQC regulatory review and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, sample testing of residents' income and considering cut-off, and reading minutes of meetings of those charged with governance.

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 auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit,

there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustee's, as a body, for our audit work, for this report, or for the opinions we have formed.

Guy Biggin (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ
Date: 26 Mar 2021

LILIAN FAITHFULL CARE
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income from:					
Donations and legacies	3	**315,711**	**316,925**	**632,636**	*46,591*
Charitable activities	4	**10,907,841**	**-**	**10,907,841**	*11,350,177*
Other trading activities - fundraising		**3,578**	**-**	**3,578**	*3,667*
Investments	5	**51,308**	**-**	**51,308**	*44,161*
Other income		**25,553**	**-**	**25,553**	*36,632*
Total income		**11,303,991**	**316,925**	**11,620,916**	*11,481,228*
Expenditure on:					
Raising funds:					
Investment manager's fees		**5,448**	**-**	**5,448**	*5,899*
Charitable activities	6	**10,923,624**	**316,925**	**11,240,549**	*11,051,388*
Total expenditure		**10,929,072**	**316,925**	**11,245,997**	*11,057,287*
Net (losses)/gains on investments		**(50,109)**	**-**	**(50,109)**	*52,877*
Net movement in funds		**324,810**	**-**	**324,810**	*476,818*
Reconciliation of funds:					
Total funds brought forward		**9,538,695**	**-**	**9,538,695**	*9,061,877*
Net movement in funds		**324,810**	**-**	**324,810**	*476,818*
Total funds carried forward		**9,863,505**	**-**	**9,863,505**	*9,538,695*

The notes on pages 25 to 44 form part of these financial statements.

LILIAN FAITHFULL CARE
(A company limited by guarantee)
REGISTERED NUMBER: 06461263

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		*2019 £*
Fixed assets					
Tangible assets	11		**11,756,163**		*12,204,132*
Investments	13		**643,376**		*639,614*
Investment property	12		**560,000**		*426,745*
Total fixed assets			**12,959,539**		*13,270,491*
Current assets					
Debtors	14	**722,993**		*666,254*	
Cash at bank and in hand		**1,354,594**		*675,723*	
		2,077,587		*1,341,977*	
Creditors: amounts falling due within one year	15	**(1,610,803)**		*(1,356,956)*	
Net current assets / (liabilites)			**466,784**		*(14,979)*
Total assets less current liabilities			**13,426,323**		*13,255,512*
Creditors: amounts falling due after more than one year	16		**(3,562,818)**		*(3,716,817)*
Total net assets			**9,863,505**		*9,538,695*
Charity funds					
Restricted funds	18		-		-
Unrestricted funds	18		**9,863,505**		*9,538,695*
Total funds			**9,863,505**		*9,538,695*

The financial statements were approved and authorised for issue by the Trustees on 12th May 2021 and signed on their behalf by:

Ms G Pyatt
Trustee
The notes on pages 25 to 44 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	**1,171,091**	*880,072*
Cash flows from investing activities			
Dividends, interests and rents from investments		**51,308**	*44,161*
Proceeds from the sale of tangible fixed assets		**-**	*2,500*
Purchase of tangible fixed assets		**(386,705)**	*(994,586)*
Proceeds from sale of investments		**670,453**	*256,414*
Purchase of investments		**(699,052)**	*(272,519)*
Investment property additions		**(16,276)**	-
Net cash used in investing activities		**(380,272)**	**(964,030)**
Cash flows from financing activities			
Repayments of borrowings		**(133,894)**	*(209,415)*
Net cash used in financing activities		**(133,894)**	**(209,415)**
Change in cash and cash equivalents in the year		**656,925**	**(293,373)**
Cash and cash equivalents brought forward		**707,440**	*1,000,813*
Cash and cash equivalents carried forward	21	**1,364,365**	*707,440*

The notes on pages 25 to 44 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Lilian Faithfull Care is a private company limited by guarantee, (company number no. 06461263 England and Wales) and registered with the Charity Commission (registered number 1122183 in England and Wales). The address of its registered office is Ground Floor West, Festival House, Jessop Avenue, Cheltenham, Gloucestershire, England, GL50 3SH. This is also the registered address of its dormant subsidiaries Lilian Faithfull Trading Limited and Lilian Faithfull Homes Limited.

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The financial statements have been prepared under historical cost convention with the exception of investments which are included at market value.

Lilian Faithfull Care meets the definition of a public benefit entity under FRS 102.

Under Section 405 of the Companies Act 2006, consolidated accounts have not been prepared as the inclusion of the dormant subsidiary is not material for the purpose of giving a true and fair view.

Therefore these financial statements present information on the parent entity as an individual undertaking only.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

1.3 Going concern

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For long term finance the Charity relies on bank loans, as disclosed in notes to the financial statements. In assessing going concern the Trustees have assumed that these bank loans will not be repaid for the foreseeable future (in line with the signed bank loan agreement) and are not aware of any circumstances that may adversely affect the renewal of these facilities. In preparing the financial statements, the Trustees have considered the potential impact of the Covid-19 pandemic on the going concern status of the Charity and have determined that the impact on the current and future performance of the Charity is minimal. The factors considered by the Trustees are documented in more detail within the Trustees Report. The Trustees consider that there are no material uncertainties over the Charity's financial viability and, accordingly, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1. Accounting policies (continued)

1.4 Income

Investment income is recognised when received, or if declared and receivable.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Rental income is included in the year in which it is receivable. Rent receivable from the investment property is classified as investment income.

1.5 Expenditure

Expenditure is accounted for as charitable activities being the provision of care. Within provision of care, costs are allocated between direct provision of care costs and support costs. The irrecoverable element of Value Added Tax is included with the item of expense to which it relates. Depreciation is allocated to expenditure headings on the basis of the use of the assets concerned.

Governance costs include costs of constitutional and statutory requirements, costs of Trustee meetings and the cost of any legal advice to the Trustees on governance or constitutional matters and are included within support costs.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage.

Costs of raising funds are costs payable to third party investment managers that manage the Charity's investments portfolio.

1.6 Government grants

Grants from government bodies are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. On-going projects may have individual costs below this value however they are capitalised as the overall costs of the project is over £1,000.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- Nil
Freehold building	- 2%-5% of cost
Leasehold improvements	- in line with the underlying lease
Motor vehicles	- 20% of cost
Furniture and equipment	- 20% of cost

1.8 Investment property

Investment properties are stated in the Balance Sheet at freehold market value. A formal professional valuation is carried out at least every five years, and prepared on an informal basis in the intervening period. Gains or losses are taken to the Statement of Financial Activities. No depreciation is provided on investment properties.

1.9 Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities.

Unlisted investments are shown at cost unless there is a permanent diminution in value.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Debtors

Trade, other debtors and accrued income are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

1.12 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions.

1. Accounting policies (continued)

1.13 Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Trade creditors, taxation and social security, wages and salaries, other creditors and accruals are recognised at their settlement amount. Bank loans are recognised at amortised cost using the effective interest method.

1.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, these being cash at bank, debtors, creditors and loans. All investments held by the Charity also qualify as basic financial instruments.

1.15 Pensions

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

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are donations or legacies received which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects undertaken. The specific restrictions on each fund is set out in the notes to the financial statements.

1.17 Redundancy costs

Redundancy costs arising from periodic reviews of staff levels are charged to the Statement of Financial Activities in the year in which the Charity is demonstrably committed to the employees leaving the Charity.

2. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to consider making significant judgements and estimates where necessary. The areas in which significant judgements and estimations have been made comprise of depreciation and the recoverability of debtors; and investment property valuation.

Critical accounting estimates and assumptions:

• Useful economic lives of tangible fixed assets
The annual depreciation charges for the tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates and the physical condition of the assets. See

2. Critical accounting estimates and areas of judgement (continued)

Note 11 for the carrying amount of the tangible fixed assets and Note 1.7 for the useful lives for each class of asset.

• Impairment of debtors
The Charity makes an estimate of trade debtors and other debtors. When assessing the impairment of trade debtors and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

• Investment property valuation
The Charity will periodically engage third party experts to provide an independent valuation of the investment properties held.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Donations				
General Donations	91,368	3,000	**94,368**	*46,591*
Uplands Merger - fair value of donated trade and assets	14,698	-	**14,698**	-
Government grants	209,645	313,925	**523,570**	-
Total 2020	315,711	316,925	**632,636**	*46,591*
Total 2019	*46,591*	-	*46,591*	

The governmant grant of £209,645 *(2019 - £nil)* relates to the Coronavirus Job Retention Scheme. The grant for £313,925 *(2019 - £nil)* is an Infection Control Grant.

4. Provision of care

	2020 £	*2019 £*
Residents' fees	**10,889,728**	*11,335,853*
Contributions to running costs	**18,113**	*14,324*
	10,907,841	*11,350,177*

Provision of care was unrestricted during this and the prior year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Rental income	39,171	**39,171**	*26,712*
Income from listed investments	8,945	**8,945**	*12,057*
Interest receivable	3,192	**3,192**	*5,392*
	51,308	**51,308**	*44,161*
Total 2019	*44,161*	*44,161*	

6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Care costs	5,100,871	-	**5,100,871**	*5,559,756*
Welfare	3,191,742	-	**3,191,742**	*2,754,271*
Premises	1,871,723	-	**1,871,723**	*1,705,273*
Support costs	-	1,076,213	**1,076,213**	*1,032,088*
Total 2020	10,164,336	1,076,213	**11,240,549**	*11,051,388*
Total 2019	*10,019,300*	*1,032,088*	*11,051,388*	

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Care costs 2020 £	Welfare 2020 £	Premises 2020 £	Total funds 2020 £	*Total funds 2019 £*
Staff costs	4,646,953	2,320,866	130,888	**7,098,707**	*6,823,699*
Depreciation	-	-	670,477	**670,477**	*585,339*
Contract catering	-	407,753	-	**407,753**	*434,807*
Establishment costs	-	-	477,658	**477,658**	*471,035*
Repairs and maintenance	-	-	592,700	**592,700**	*579,327*
Advertising	-	46,553	-	**46,553**	*59,062*
Office expenses	-	84,979	-	**84,979**	*65,045*
Subscriptions and publications	-	27,758	-	**27,758**	*28,805*
Equipment hire	-	9,806	-	**9,806**	*7,480*
Residents welfare and activities	-	39,463	-	**39,463**	*70,471*
Cleaning, medical costs, uniforms	-	228,327	-	**228,327**	*142,508*
Motor expenses	-	26,237	-	**26,237**	*27,794*
Other employment costs	126,586	-	-	**126,586**	*224,684*
Agency costs	327,332	-	-	**327,332**	*499,244*
Total 2020	5,100,871	3,191,742	1,871,723	**10,164,336**	*10,019,300*
Total 2019	*5,559,756*	*2,754,271*	*1,705,273*	*10,019,300*	

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Care costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Staff costs	843,320	**843,320**	*764,181*
Printing, postage and stationery	49,933	**49,933**	*47,249*
Legal and professional costs	79,840	**79,840**	*96,435*
Bank charges & interest	83,980	**83,980**	*104,531*
Governance costs	19,140	**19,140**	*19,692*
Total 2020	1,076,213	**1,076,213**	*1,032,088*
Total 2019	*1,032,088*	*1,032,088*	

Governance costs comprise auditor's remuneration £19,140 *(2019: £19,452)* and Trustees' expenses £nil *(2019: £240).*

7. Taxation

The company is a registered charity and is therefore entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

8. Auditor's remuneration

	2020 £	*2019 £*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**16,225**	*15,900*
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	**266**	*260*

9. Staff costs

	2020 £	2019 £
Wages and salaries	**7,271,516**	*6,952,701*
Social security costs	**530,275**	*509,277*
Contribution to defined contribution pension schemes	**140,235**	*125,902*
	7,942,026	*7,587,880*

During the year, two Redundancy and Termination payments (including salary, notice and accrued holiday pay) were made, totalling £29,292 *(2019: £nil)*.

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Head count	**434**	*421*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £70,001 - £80,000	**1**	*1*
In the band £80,001 - £90,000	**-**	*1*
In the band £90,001 - £100,000	**1**	-

The key management personnel (other than the Trustees who are not remunerated) of the Charity are the Chief Executive Officer, the Director of Care, Director of Human Resources and the Director of Finance. The remuneration for this team totals £307,321 *(2019: £292,775)*. This includes gross salary, benefits, employer's national insurance and employer's pension contributions.

10. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2019 - £NIL)*.

During the year ended 31 December 2020, expenses totalling £nil were reimbursed or paid directly *(2019 - £240 to 1 Trustee)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets

	Freehold property £	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2020	11,471,113	-	175,052	3,919,874	15,566,039
Additions	48,659	4,595	11,395	322,056	386,705
Disposals	-	-	-	(119,881)	(119,881)
Transfer to investment properties	(128,065)	-	-	(53,911)	(181,976)
At 31 December 2020	11,391,707	4,595	186,447	4,068,138	15,650,887
Depreciation					
At 1 January 2020	688,120	-	138,365	2,535,422	3,361,907
Charge for the year	174,297	914	14,767	480,499	670,477
On disposals	-	-	-	(119,881)	(119,881)
Transfers between classes	(3,413)	-	-	(14,366)	(17,779)
At 31 December 2020	859,004	914	153,132	2,881,674	3,894,724
Net book value					
At 31 December 2020	10,532,703	3,681	33,315	1,186,464	11,756,163
At 31 December 2019	*10,782,993*	-	*36,687*	*1,384,452*	*12,204,132*

12. Investment property

	Freehold investment property £
Valuation	
At 1 January 2020	426,745
Additions	16,276
Surplus on revaluation	(47,218)
Transfer from tangible fixed assets	164,197
At 31 December 2020	560,000

The Trustees have reviewed the value of the investment properties and consider that costs represent the fair value at 31 December 2020. The investment properties are valued by an independent, third party valuer on a quinquennial basis.

The properties were last valued based on an adjusted net rental income capitalisation approach on 11 January 2021 by Philip J Pratt BSc MRICS of Alder King LLP. Being a related party, the Trustees of the Finance Committee have approved the valuation on behalf of the Board.

13. Fixed asset investments

	Investments in subsidiary company £	Listed Investments £	Total £
Cost or valuation			
At 1 January 2020	100	639,514	639,614
Additions	-	699,052	699,052
Disposals	-	(670,453)	(670,453)
Revaluations	-	(2,891)	(2,891)
Movement on cash held for reinvestment	-	(21,946)	(21,946)
At 31 December 2020	100	643,276	643,376

At the year end cash held by the investment managers totaled £9,771 *(2019: £31,717).*

Lilian Faithfull Trading Limited is a wholly owned subsidiary of the Charity. Lilian Faithfull Trading Limited did not trade during the current or preceding financial year and therefore made neither profit not loss. As at 31 December 2020, the entity had total Shareholders' Funds of £1,029 *(2019: £1,029).*

14. Debtors

	2020 £	*2019 £*
Trade debtors	**412,520**	*543,078*
Other debtors	**34,459**	*14,151*
Prepayments and accrued income	**276,014**	*109,025*
	722,993	*666,254*

15. Creditors: Amounts falling due within one year

	2020 £	*2019 £*
Bank loans	**231,448**	*211,343*
Trade creditors	**391,861**	*255,633*
Other taxation and social security	**275,063**	*260,952*
Other creditors	**633,162**	*557,647*
Accruals and deferred income	**79,269**	*71,381*
	1,610,803	*1,356,956*

16. Creditors: Amounts falling due after more than one year

	2020 £	*2019 £*
Bank loans	**3,562,818**	*3,716,817*

Included within the above are amounts falling due as follows:

	2020 £	*2019 £*
Between one and two years		
Bank loans	**232,409**	*212,473*
Between two and five years		
Bank loans	**703,412**	*644,514*
Over five years		
Bank loans	**2,626,997**	*2,859,830*

At the 31 December 2020 there were two *(2019: two)* bank loan balances of £2,929,180 and £865,086 respectively *(2019: £3,017,500 and £910,660).*

The first loan is secured by means of a first legal charge over Royal Court Care, Fiddler's Green, Cheltenham, Gloucestershire and a legal charge over St Faith's Nursing Home, Malvern Road, Cheltenham, Gloucestershire and bears interest of 1.58%. The second loan is secured by means of a legal charge over Resthaven Nursing Home, Pitchcombe, Stroud, Gloucestershire bears interest of 1.95%.

The loans are not due for repayment until August 2026 and April 2027 respectively.

17. Financial instruments

	2020 £	*2019* *£*
Financial assets		
Financial assets measured at fair value through income and expenditure	**643,276**	*639,514*

Financial assets measured at fair value through income and expenditure comprise listed investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds						
Emergency Maintenance Fund	750,000	-	-	-	-	750,000
Assisted Places Fund	500,000	-	-	-	-	500,000
Staff Fund	-	3,345	(3,345)	-	-	-
Residents' Fund	3,588	5,020	-	-	-	8,608
Total Unrestricted funds	1,253,588	8,365	(3,345)	-	-	1,258,608
General funds						
Free Reserves	(4,345,770)	11,280,928	(10,255,250)	(402,981)	(2,891)	(3,725,964)
Tangible Fixed Assets	12,204,132	-	(670,477)	222,508	-	11,756,163
Investment Property	426,745	-	-	180,473	(47,218)	560,000
Merger reserve	-	14,698	-	-	-	14,698
	8,285,107	11,295,626	(10,925,727)	-	(50,109)	8,604,897
Total Unrestricted funds	9,538,695	11,303,991	(10,929,072)	-	(50,109)	9,863,505

18. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Restricted funds						
Legacies	-	3,000	(3,000)	-	-	-
Infection Control Grant	-	313,925	(313,925)	-	-	-
	-	316,925	(316,925)	-	-	-
Total of funds	9,538,695	11,620,916	(11,245,997)	-	(50,109)	9,863,505

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 December 2019* £
Designated funds						
Edith Bell Fund	*59,645*	*1,846*	*(5,814)*	*(55,677)*	-	-
Emergency Maintenance Fund	*750,000*	-	-	-	-	*750,000*
Assisted Places Fund	*500,000*	-	-	-	-	*500,000*
Staff Fund	*14*	*5,865*	*(5,865)*	*(14)*	-	-
Residents' Fund	*2,844*	*1,149*	-	*(405)*	-	*3,588*
Total Unrestricted Funds	1,312,503	8,860	(11,679)	*(56,096)*	-	*1,253,588*
General funds						
Free reserves	*(4,475,423)*	*11,472,368*	*(10,460,269)*	*(935,323)*	*52,877*	*(4,345,770)*
Tangible Fixed Assets	*12,224,797*	-	*(585,339)*	*564,674*	-	*12,204,132*
Investment property	-	-	-	*426,745*	-	*426,745*
	7,749,374	11,472,368	(11,045,608)	*56,096*	*52,877*	*8,285,107*
Total Unrestricted funds	9,061,877	11,481,228	(11,057,287)	-	*52,877*	*9,538,695*

18. Statement of funds (continued)

DESIGNATED FUNDS

Edith Bell Fund
The Edith Bell Fund is used to purchase equipment for the enjoyment of residents of Lilian Faithfull Care.

Emergency Maintenance Fund
This fund has been set up to fund required maintenance of the Lilian Faithfull Care Estate.

Assisted Places Fund
This fund has been set-up to allow the Charity to help existing residents once they no longer afford to privately fund their place at the home. It is envisaged that this fund will primarily be used to fund residents where there is a legislation change around funding and we will need to support them financially.

Staff Fund
This fund is made up of donations from relatives of residents who have given money as a thank you to the staff of Lilian Faithfull Care.

Resident's Fund
This fund is made up of donations from relatives of residents who have given money to assist residents during their time at Lilian Faithfull Care.

RESTRICTED FUNDS

Infection Control Grant
Government funding received via the Local Authority to support adult social care providers to reduce the rate of COVID-19 transmission in and between care homes and support wider workforce resilience.

FUND TRANSFERS

Transfers were made from Free Reserves to the Tangible Fixed Assets and Investment Property unrestricted funds to represents movements in the year. The final balance on these funds represents the Balance Sheet values at the year end.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	11,756,163	**11,756,163**
Fixed asset investments	643,376	**643,376**
Investment property	560,000	**560,000**
Current assets	2,077,587	**2,077,587**
Creditors due within one year	(1,610,803)	**(1,610,803)**
Creditors due in more than one year	(3,562,818)	**(3,562,818)**
Total	9,863,505	**9,863,505**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	*Total funds 2019 £*
Tangible fixed assets	12,204,132	*12,204,132*
Fixed asset investments	639,614	*639,614*
Investment property	426,745	*426,745*
Current assets	1,341,977	*1,341,977*
Creditors due within one year	(1,356,956)	*(1,356,956)*
Creditors due in more than one year	(3,716,817)	*(3,716,817)*
Total	9,538,695	*9,538,695*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	*2019 £*
Net income for the period (as per Statement of Financial Activities)	**324,810**	*476,818*
Adjustments for:		
Depreciation charges	**670,477**	*585,339*
Losses/(gains) on investments	**50,109**	*(52,877)*
Dividends, interests and rents from investments	**(51,308)**	*(44,161)*
Loss on the sale of fixed assets	**-**	*667*
Increase in debtors	**(56,739)**	*(3,433)*
Increase/(decrease) in creditors	**233,742**	*(82,281)*
Net cash provided by operating activities	**1,171,091**	*880,072*

21. Analysis of cash and cash equivalents

	2020 £	*2019 £*
Cash in hand	**1,354,594**	*675,723*
Cash held for reinvestment	**9,771**	*31,717*
Total cash and cash equivalents	**1,364,365**	*707,440*

22. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	**675,723**	**678,871**	**1,354,594**
Debt due within 1 year	**(211,343)**	**(20,105)**	**(231,448)**
Debt due after 1 year	**(3,716,817)**	**153,999**	**(3,562,818)**
	(3,252,437)	**812,765**	**(2,439,672)**

23. Pension commitments

The Charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charity to the scheme and amounted to £140,235 *(2019: £125,902).* At the end of the year outstanding contributions amounted to £35,647 *(2019: £31,928),* as included within other creditors. All pension charges are charged to unrestricted funds, in-line with the fund out of which the wages and salaries are paid.

24. Operating lease commitments

At 31 December 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	*2019* *£*
Land and buildings		
Within 1 year	**29,814**	*29,814*
Between 1 and 5 years	**104,349**	*119,256*
After more than 5 years	**-**	*14,907*
Total	**134,163**	*163,977*
Plant and machinery		
Within 1 year	**116,650**	*97,672*
Between 1 and 5 years	**337,631**	*279,976*
After more than 5 years	**46,089**	*24,541*
	500,370	*402,189*

25. Related party transactions

At 31 December 2020 the Charity owed £864 *(2019: £864)* to Lilian Faithfull Trading Limited, its subsidiary undertaking. The loan is interest free and has no fixed repayment terms.

26. Post balance sheet events

On 1 February 2021 the charity purchased nine flats known as Treadwell Court which will be an investment property. The purchase price was circa £1m and was paid for via a £600k loan and £400k from existing reserves. All surpluses created from this venture will be used to support the existing charitable objects.