

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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**LILIAN FAITHFULL CARE
(A COMPANY LIMITED BY GUARANTEE)**

**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 Finance¹
Ms G Pyatt, Chair
Mr G H Parry¹
Mrs E Fox²
Mrs J Woodley²
Mr A J B Bishop¹
Mrs F Court²
Mr M D Smith¹
Dame J Trotter
Mr P Pratt²
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

LILIAN FAITHFULL CARE
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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

LILIAN FAITHFULL CARE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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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.

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FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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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.

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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.

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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 £8.6million (2019: £8.3million).

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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.

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TRUSTEES' REPORT
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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.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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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.

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FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

LILIAN FAITHFULL CARE
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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 contained 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.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILIAN FAITHFULL CARE (CONTINUED)

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.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILIAN FAITHFULL CARE (CONTINUED)

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,

LILIAN FAITHFULL CARE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LILIAN FAITHFULL CARE (CONTINUED)

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 members, as a body, 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 / (liabilities)		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
Charlty 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 and signed on their behalf by:


Ms G Pyatt
Trustee

The notes on pages 25 to 44 form part of these financial statements.

12th May 2021

LILIAN FAITHFULL CARE
(A company limited by guarantee)

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

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**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.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<u>315,711</u>	<u>316,925</u>	<u>632,636</u>	<u>46,591</u>
<i>Total 2019</i>	<u>46,591</u>	<u>-</u>	<u>46,591</u>	

The government 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
	<u>10,907,841</u>	<u>11,350,177</u>

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

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**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
	<u>51,308</u>	<u>51,308</u>	<u>44,161</u>
<i>Total 2019</i>	<u>44,161</u>	<u>44,161</u>	

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	<u>10,164,336</u>	<u>1,076,213</u>	<u>11,240,549</u>	<u>11,051,388</u>
<i>Total 2019</i>	<u>10,019,300</u>	<u>1,032,088</u>	<u>11,051,388</u>	

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Care costs	Welfare	Premises	Total	Total
	2020	2020	2020	funds	funds
	£	£	£	2020	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
<i>Total 2019</i>	<i>5,559,756</i>	<i>2,754,271</i>	<i>1,705,273</i>	<i>10,019,300</i>	

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Care costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
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	<u>1,076,213</u>	<u>1,076,213</u>	<u>1,032,088</u>
<i>Total 2019</i>	<u>1,032,088</u>	<u>1,032,088</u>	

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 £	<i>2019 £</i>
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	<u>266</u>	<u>260</u>

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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
	<u>7,942,026</u>	<u>7,587,880</u>

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	<u>434</u>	<u>421</u>

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).

LILIAN FAITHFULL CARE
(A company limited by guarantee)

**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	<u>11,391,707</u>	<u>4,595</u>	<u>186,447</u>	<u>4,068,138</u>	<u>15,650,887</u>
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	<u>859,004</u>	<u>914</u>	<u>153,132</u>	<u>2,881,674</u>	<u>3,894,724</u>
Net book value					
At 31 December 2020	<u>10,532,703</u>	<u>3,681</u>	<u>33,315</u>	<u>1,186,464</u>	<u>11,756,163</u>
At 31 December 2019	<u>10,782,993</u>	<u>-</u>	<u>36,687</u>	<u>1,384,452</u>	<u>12,204,132</u>

LILIAN FAITHFULL CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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
	<hr/>
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)
	<hr/>	<hr/>	<hr/>
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 nor loss. As at 31 December 2020, the entity had total Shareholders' Funds of £1,029 (2019: £1,029).

LILIAN FAITHFULL CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Debtors

	2020 £	2019 £
Trade debtors	412,520	543,078
Other debtors	34,459	14,151
Prepayments and accrued income	276,014	109,025
	<u>722,993</u>	<u>666,254</u>

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
	<u>1,610,803</u>	<u>1,356,956</u>

16. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<u>3,562,818</u>	<u>3,716,817</u>

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Bank loans	<u>232,409</u>	<u>212,473</u>
Between two and five years		
Bank loans	<u>703,412</u>	<u>644,514</u>
Over five years		
Bank loans	<u>2,626,997</u>	<u>2,859,830</u>

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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.

LILIAN FAITHFULL CARE
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**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

LILIAN FAITHFULL CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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)	-	-	-
	<u>-</u>	<u>316,925</u>	<u>(316,925)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u>9,538,695</u>	<u>11,620,916</u>	<u>(11,245,997)</u>	<u>-</u>	<u>(50,109)</u>	<u>9,863,505</u>

LILIAN FAITHFULL CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
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	<u>1,312,503</u>	<u>8,860</u>	<u>(11,679)</u>	<u>(56,096)</u>	<u>-</u>	<u>1,253,588</u>
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
	<u>7,749,374</u>	<u>11,472,368</u>	<u>(11,045,608)</u>	<u>56,096</u>	<u>52,877</u>	<u>8,285,107</u>
Total Unrestricted funds	<u>9,061,877</u>	<u>11,481,228</u>	<u>(11,057,287)</u>	<u>-</u>	<u>52,877</u>	<u>9,538,695</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
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

LILIAN FAITHFULL CARE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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)

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**NOTES TO THE FINANCIAL STATEMENTS
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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	<u>134,163</u>	<u>163,977</u>
 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
	<u>500,370</u>	<u>402,189</u>

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.