

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

---

CONTENTS	Page
LEGAL AND ADMINISTRATIVE INFORMATION	1
TRUSTEES' REPORT	2 - 10
STATEMENT OF TRUSTEES' RESPONSIBILITIES	11
INDEPENDENT AUDITORS' REPORT	12 - 14
STATEMENT OF FINANCIAL ACTIVITIES	15
BALANCE SHEET	16
CASH FLOW STATEMENT	17
NOTES TO THE FINANCIAL STATEMENTS	18 - 31

LILIAN FAITHFULL CARE  
LEGAL AND ADMINISTRATIVE INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

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

**LILIAN FAITHFULL CARE  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

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.*

LILIAN FAITHFULL CARE  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

- 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.

LILIAN FAITHFULL CARE  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 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.

LILIAN FAITHFULL CARE  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

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.

**LILIAN FAITHFULL CARE  
STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

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  
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

19/5/2022  
Date: .....

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 £
<b>INCOME</b>					
<b>Income from:</b>					
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
<b>Total income</b>		<b>11,409,888</b>	<b>646,743</b>	<b>12,056,631</b>	<b>11,620,916</b>
<b>Expenditure on:</b>					
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
<b>Total expenditure</b>		<b>11,014,632</b>	<b>646,743</b>	<b>11,661,375</b>	<b>11,245,997</b>
Net gains/(losses) on investments		7,589	-	7,589	(50,109)
<b>Net movement in funds</b>		<b>402,845</b>	<b>-</b>	<b>402,845</b>	<b>324,810</b>
<b>Reconciliation in funds</b>					
Total funds brought forward		9,863,505	-	9,863,505	9,538,695
Net movement in funds		402,845	-	402,845	324,810
<b>Total funds carried forward</b>		<b>10,266,350</b>	<b>-</b>	<b>10,266,350</b>	<b>9,863,505</b>

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 £
<b>FIXED ASSETS</b>			
Tangible assets	11	11,749,687	11,756,163
Investments	13	657,026	643,376
Investment property	12	1,599,235	560,000
<b>Total fixed assets</b>		<b>14,005,948</b>	<b>12,959,539</b>
<b>CURRENT ASSETS</b>			
Debtors	14	626,028	722,993
Cash at bank and in hand		1,074,219	1,354,594
		1,700,247	2,077,587
<b>CREDITORS</b>			
Amounts falling due within one year	15	(1,561,828)	(1,610,803)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<b>138,419</b>	<b>466,784</b>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>14,144,367</b>	<b>13,426,323</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(3,878,017)	(3,562,818)
<b>TOTAL NET ASSETS</b>		<b>10,266,350</b>	<b>9,863,505</b>
<b>CHARITY FUNDS</b>			
Restricted funds	19	-	-
Unrestricted funds	18	10,266,350	9,863,505
<b>Total funds</b>		<b>10,266,350</b>	<b>9,863,505</b>

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 £
<b>Cash used in operating activities</b>				
Net cash provided by operating activities	21		981,133	1,171,091
<b>Cash flows from investing activities</b>				
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)	
<b>Cash used in investing activities</b>			(1,605,485)	(380,272)
<b>Cash flows from financing activities</b>				
Advance of bank loan			603,600	-
Repayments of borrowings			(251,490)	(133,894)
<b>Net cash provided by / (used in) in financing activities</b>			352,110	(133,894)
<b>Change in cash and cash equivalents in the year</b>			(272,242)	656,925
Cash and cash equivalents brought forward			1,364,365	707,440
<b>Total cash and cash equivalents carried forward</b>	22		<b>1,092,123</b>	<b>1,364,365</b>

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 or 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
	£	£	£	£
<b>Donations</b>				
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
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total 2021</b>	131,819	646,743	778,562	632,636
	<hr/>	<hr/>	<hr/>	<hr/>

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.

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

3 PROVISION OF CARE

	2021 £	2020 £
Residents' fees	11,133,905	10,889,728
Contributions to running costs	11,953	18,113
	<u>11,145,858</u>	<u>10,907,841</u>

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
	<u>116,160</u>	<u>116,160</u>	<u>51,308</u>

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
	<u>16,051</u>	<u>16,051</u>	<u>25,553</u>

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
	<u>10,513,623</u>	<u>1,147,752</u>	<u>11,661,375</u>	<u>11,240,549</u>

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

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
<b>Total</b>	<b>5,181,648</b>	<b>3,388,277</b>	<b>1,943,698</b>	<b>10,513,623</b>	<b>10,164,336</b>

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	-
	<b>1,147,752</b>	<b>1,147,752</b>	<b>1,076,213</b>

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.

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>17,503</u>	<u>16,491</u>

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
	<u>7,762,020</u>	<u>7,942,026</u>

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	<u>410</u>	<u>434</u>

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
	<u>      </u>	<u>      </u>

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.

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

# 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
	£	£	£	£	£
<b>Cost or valuation</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
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 £
<b>Valuation</b>	
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.

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

13 FIXED ASSET INVESTMENTS

	Investments In Subsidiary company £	Listed Investments £	Total £
<b>Cost or valuation</b>			
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

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

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 £
<b>Between one and two years</b>		
Bank loans	782,051	232,409
<b>Between two and five years</b>		
Bank loans	2,609,884	703,412
<b>Over five years</b>		
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 £
<b>Financial assets</b>		
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.

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

18 FUNDS

	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Transfers £	Gains / (losses) £	At 31 December 2021 £
<b>Designated funds</b>						
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)	-	-	-
	<u>1,258,608</u>	<u>5,560</u>	<u>(14,168)</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
<b>General funds</b>						
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)	-	-
	<u>8,604,897</u>	<u>11,404,328</u>	<u>(11,000,464)</u>	<u>-</u>	<u>7,589</u>	<u>9,016,350</u>
<b>Total unrestricted funds</b>	<u><u>9,863,505</u></u>	<u><u>11,409,888</u></u>	<u><u>(11,014,632)</u></u>	<u><u>-</u></u>	<u><u>7,589</u></u>	<u><u>10,266,350</u></u>

**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.

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

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
<b>Adjustments for:</b>		
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
<b>Net cash provided by operating activities</b>	<b>981,133</b>	<b>1,171,091</b>

LILIAN FAITHFULL CARE  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<hr/>	<hr/>
Total cash and cash equivalents	1,092,123	1,364,365
	<hr/>	<hr/>

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)
	<hr/>	<hr/>	<hr/>
	(2,429,901)	(624,352)	(3,054,253)
	<hr/>	<hr/>	<hr/>

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 £
<b>Land and buildings</b>		
Within 1 year	57,068	29,814
Between 1 and 5 years	144,624	104,349
After more than 5 years	-	-
	<hr/>	<hr/>
Total	201,692	134,163
	<hr/>	<hr/>
<b>Plant and machinery</b>		
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
	<hr/>	<hr/>
Total	445,639	500,370
	<hr/>	<hr/>

**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.

