

Registered Charity No: 1122183
Company Number: 06461263



LILIAN FAITHFULL CARE

TRUSTEES REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

**LILIAN FAITHFULL CARE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**LILIAN FAITHFULL CARE
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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

OBJECTIVES AND ACTIVITIES

Our Aim and Public Benefit

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

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

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

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

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

Ensuring Our Work Delivers Our Aim

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

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

Strategic Objectives

Our 2022-2026 strategic pillars are as follows:

- Attracting, retaining and developing competent and compassionate staff.

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

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

ACHIEVEMENTS AND PERFORMANCE

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

Core Activity:

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

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

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

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

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

Occupancy for the year closed at 84.5%. This is above industry average but below our target with levels impacted in November and December by Covid and influenza.

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

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

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

Our surplus was 3% of income.

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

People, Development and Training:

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

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

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

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

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

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

Increasing our profile across the County:

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

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

In June we opened our first charity shop "Faithfull Vintage and Treasure" which is located in the heart of Tewkesbury High Street. It has been successful not only in raising funds but also raising the profile of the Charity's work. The Estates team brought into life the vision of a welcoming and modern space providing an affordable and sustainable place to shop.

Thank you to the generosity of everyone who has donated clothing, gifts, books homeware and toys and the volunteers who have supported the staff.

The shop has been instrumental in staff and volunteer recruitment, together with promotion of our care facilities.

A member of an ex-resident's family has given a substantial donation to the Charity via the shop for the green space at Resthaven. An eco-friendly accessible nature walk and pond for biodiversity will be created.

Working collaboratively with community / business partners:

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

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

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

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

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

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The property is now known as Catharine Ball House.

We are currently in the process of refurbishing the apartments. Part of the refurbishment plans include eco-friendly alternatives.

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

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

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

The Fairhaven Suite, a specialist end of life care suite at St Faith's, opened in June 2022.

It has nine spacious suites offering privacy, comfort, and peace for adults in their final days, weeks or months. A key part is the support, space, and facilities it offers to families and friends, enabling them to spend quality time with their loved ones.

This specialist end-of-life care is in addition to the end-of-life care already offered at St Faith's and across the Charity.

Below is some of the most recent feedback from families which is heart-warming for our teams who work so hard to care for our residents:-

"A massive thank you to everyone at St Faiths for the care, attention, love and support during our mums care and end of life."

"As a large family we cannot thank everyone enough for the care, welcoming, flexibility and support provided to both mum and 4 of us daughters and one of her sons as well as partners and grandchildren! The opportunity to be so welcomed and looked after and ultimately the opportunity to be there for mum is such an incredible comfort."

"My husband was only at St Faith's for a few weeks, where he eventually received end-of-life care. I cannot praise the staff enough for the care given to him. He was treated with compassion and dignity by all the staff. My special thanks must go to his assigned care worker and also the doctor in his final hours. This was a very distressing time for myself and my family, but we were kept fully informed, and nothing was too much trouble. We couldn't have asked for more."

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

Investigate technology in care:

We are involved in the Virtual Ward Project run by the NHS and social care.

This is about the use of technology and acute monitoring and treatment within the care home. This will aid recovery, coordinate care in the home and can support early discharges for Strokes, IV Therapy, Heart Failures and Therapy.

The technology will also assist to rapidly evaluate any changes and adaptations required. The challenges are training, recruitment of staff and maintaining the frailty service across the integrated care system.

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

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

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

HOW OUR ACTIVITIES ACHIEVE OUR AIM AND PUBLIC BENEFIT

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

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

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

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

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

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

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

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

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

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

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

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

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

FEEDBACK ON THE CARE WE PROVIDE

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

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

Review of Astell House from a daughter of a resident:

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

Review of Faithfull House from a daughter of a resident:

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

Review of Resthaven from a daughter of a resident:

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

FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

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

Principal Funding Sources

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

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

Investment Policy

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

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

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

Reserves Policy

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

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

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

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

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

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

RISK MANAGEMENT

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Subsidiaries

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

Governance

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

Trustees and Chief Executive

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

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

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

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

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

Committees

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

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

Decisions

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

Fundraising disclosures

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

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

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

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

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

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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Kingdom Accounting Standards).

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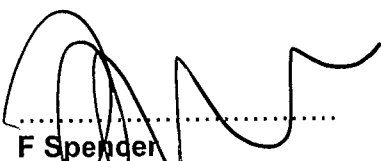
DISCLOSURE OF INFORMATION TO AUDITORS


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

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

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

By order of the Board


.....
F Spender
Trustee

Date: 

LILIAN FAITHFULL CARE (Company Number : 06461263)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)

Opinion

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

Opinion on financial statements

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

LILIAN FAITHFULL CARE (Company Number : 06461263)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)

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


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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 December 2022 has been undertaken;
 - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
 - Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


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

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 8 Sep 2023

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

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

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

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

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

Approved by the Board for issue on


 F. Spencer - Trustee

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

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

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

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

The financial statements are presented in Pounds Sterling.

Company status

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

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

The address of its registered office is:

Ground Floor West
Festival House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

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

Consolidated financial statements

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

Going concern

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

Fund accounting

Funds held by the charity are either:

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

ACCOUNTING POLICIES (continued)

Redundancy costs

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

Critical accounting estimates and areas of judgement

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

Useful economic lives of tangible fixed assets

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

Impairment of debtors

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

Investment property valuation

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

2 INCOME FROM DONATIONS AND LEGACIES

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

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

3 PROVISION OF CARE

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

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

4 INVESTMENT INCOME

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

5 OTHER INCOME

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

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

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Analysis of direct costs

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

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

Analysis of support costs

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

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

7 TAXATION

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

8 AUDITOR'S REMUNERATION

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

9 EMPLOYMENT COSTS

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

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

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

	2022	2021
	No.	No.
Head count	388	410

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

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 TRUSTEE'S REMUNERATION AND EXPENSES

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

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

11 TANGIBLE FIXED ASSETS

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

12 INVESTMENT PROPERTY

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

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

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

13 FIXED ASSET INVESTMENTS

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

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

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

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

14 DEBTORS

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

15 CREDITORS – amounts falling due within one year

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

16 CREDITORS – amounts falling due after more than one year

	2022 £	2021 £
Bank loans	3,120,297	3,878,017
Included within the above are amounts falling due as follows:		
	2022 £	2021 £
Between one and two years		
Bank loans	232,395	782,051
Between two and five years		
Bank loans	2,887,902	2,609,884
Over five years		
Bank loans	-	486,082

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

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

17 FINANCIAL INSTRUMENTS

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

18 FUNDS

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

19 RESTRICTED FUNDS

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

Restricted Funds

Infection Control Grant

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

Workforce Retention and Recruitment Fund

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

Donations

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

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

23 ANALYSIS OF CHANGES IN NET DEBT

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

24 PENSION COMMITMENTS

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

25 OPERATING LEASE COMMITMENTS

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

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

26 RELATED PARTY TRANSACTIONS

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

27 POST BALANCE SHEET EVENTS

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

