

Registered Charity No: 1122183
Company Number: 06461263



LILIAN FAITHFULL CARE

TRUSTEES REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2024

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

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**LILIAN FAITHFULL CARE
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2024**

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

**LILIAN FAITHFULL CARE
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2024**

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

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

OBJECTIVES AND ACTIVITIES

Our Aim and Public Benefit

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

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

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

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

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

Ensuring Our Work Delivers Our Aim

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

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

Strategic Objectives

Our 2022 - 2026 strategic pillars are as follows:

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

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

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

ACHIEVEMENTS AND PERFORMANCE

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

Providing high quality care services to residents and guests

Ensure all our homes continue to be CQC compliant

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

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

Managing our finances and operations effectively and prudently.

To achieve occupancy levels of at least 88%

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

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

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

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

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

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

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

People, Development and Training:

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

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

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

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

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

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

Increasing our profile:

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

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

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

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

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

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

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

Working collaboratively with community / business partners:

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

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

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

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

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

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

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

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

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

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

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

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

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

Investing in technology-enabled care:

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

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

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

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

HOW OUR ACTIVITIES ACHIEVE OUR AIM AND PUBLIC BENEFIT

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

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

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

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

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

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

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

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

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

SUMMARY OF FUTURE PLANS

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

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

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

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

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

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

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

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

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

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

FEEDBACK ON THE CARE WE PROVIDE

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

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

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

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

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

Review of Faithfull House from a granddaughter of a resident:

My Nan has had a turbulent 12 months and in Faithfull House she has found a home. The building is large, with a number of communal areas in which to socialise or to read. Nan's room is spacious and she is allowed to bring whatever she would like into the room to make it hers.

The busy carers take their time whenever they are with Nan and when my family and I visit we are always offered refreshments. We really do enjoy visiting and find relief in seeing Nan so well looked after by all the staff. I wouldn't hesitate to recommend the home and its caring staff.

Review of Astell House from a daughter of a resident:

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

Review of Royal Court from a partner of a resident:

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

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

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

Review of Resthaven from a daughter of a resident:

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

Review of Secret Garden from a guest:

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

FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

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

Principal Funding Sources

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

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

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

Investment Policy

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

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

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

Reserves Policy

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

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

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

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

RISK MANAGEMENT

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Subsidiaries

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

Governance

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

Trustees and Chief Executive

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

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

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

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

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

Committees

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

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

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

Risk Committee is to oversee risk aspects of the organisation.

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

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

Estates Committee is to oversee estates aspects of the organisation.

Decisions

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

Fundraising disclosures

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

**LILIAN FAITHFULL CARE
TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MARCH 2024**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Kingdom Accounting Standards).

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

By order of the Board



.....
F Spencer
Chair of Trustees

Date 27 November 2024

Opinion

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

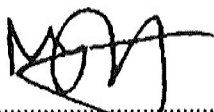
Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the period to 31 March 2024 has been undertaken;
 - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
 - Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

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



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

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 2 December 2024
Date:

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

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

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

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

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

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

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

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

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

F Spencer - Trustee

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

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

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

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

1 ACCOUNTING POLICIES

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

The financial statements are presented in Pounds Sterling.

Company status

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

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

The address of its registered office is:

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

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

Consolidated financial statements

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

Going concern

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

Fund accounting

Funds held by the charity are either:

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

ACCOUNTING POLICIES (continued)

Incoming resources

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

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

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

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

Resources expended

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

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

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

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

Government grants

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

Taxation

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

ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

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

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

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

Investments

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

Gains and losses represent the movement in market values during the year and are credited 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 PERIOD ENDED 31 MARCH 2024

ACCOUNTING POLICIES (continued)

Redundancy costs

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

Critical accounting estimates and areas of judgement

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

Useful economic lives of tangible fixed assets

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

Impairment of debtors

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

Investment property valuation

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

2 INCOME FROM DONATIONS AND LEGACIES

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

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

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

3 PROVISION OF CARE

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

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

4 INVESTMENT INCOME

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

5 OTHER INCOME

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

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

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

Analysis of direct costs

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

Analysis of support costs

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

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

7 TAXATION

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

8 AUDITOR'S REMUNERATION

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

9 EMPLOYMENT COSTS

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

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

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

	2024 No.	2022 No.
Head count	<u>430</u>	<u>388</u>

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

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

10 TRUSTEE'S REMUNERATION AND EXPENSES

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

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

11 TANGIBLE FIXED ASSETS

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

12 INVESTMENT PROPERTY

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

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

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

13 FIXED ASSET INVESTMENTS

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

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

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

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

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

14 DEBTORS

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

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

15 CREDITORS – amounts falling due within one year

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

16 CREDITORS – amounts falling due after more than one year

	2024 £	2022 £
Bank loans	-	3,120,297
Included within the above are amounts falling due as follows:		
	2024 £	2022 £
Between one and two years		
Bank loans	-	232,395
Between two and five years		
Bank loans	-	2,887,902
Over five years		
Bank loans	-	-

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

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

17 FINANCIAL INSTRUMENTS

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

18 FUNDS

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

19 RESTRICTED FUNDS

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

Restricted Funds

Donations

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

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

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

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

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

23 ANALYSIS OF CHANGES IN NET DEBT

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

24 PENSION COMMITMENTS

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2024

25 OPERATING LEASE COMMITMENTS

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

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

26 RELATED PARTY TRANSACTIONS

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

