

Registered Charity No: 1122183
Company Number: 06461263



LILIAN FAITHFULL CARE

TRUSTEES REPORT AND ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2025

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

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

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

**LILIAN FAITHFULL CARE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

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

OBJECTIVES AND ACTIVITIES

Our Aim and Public Benefit

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

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

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

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

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

Ensuring Our Work Delivers Our Aim

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

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

Strategic Objectives

Our 2022 - 2026 strategic pillars are as follows:

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

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

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ACHIEVEMENTS AND PERFORMANCE

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

Providing high quality care services to residents and guests

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

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

Ensure all our homes continue to be CQC compliant

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

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

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

Managing our finances and operations effectively and prudently

To achieve occupancy levels of at least 88%

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

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

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

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

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

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

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

Attracting, retaining and developing competent and compassionate staff

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

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

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People, Development and Training:

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

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

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

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

Increasing our profile:

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

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

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

Working collaboratively with community / business partners:

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

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

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

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

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

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

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

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

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

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

Investing in technology-enabled care:

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

HOW OUR ACTIVITIES ACHIEVE OUR AIM AND PUBLIC BENEFIT

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

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

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

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

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

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

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

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

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

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

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

SUMMARY OF FUTURE PLANS

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

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

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

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

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

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

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

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

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

FEEDBACK ON THE CARE WE PROVIDE WITH 2024/5 REVIEWS

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

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

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

Astell House review from Son of Resident

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

Bay Tree Court review from Daughter of Resident

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

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

Thank you everyone - you are all wonderful.

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Faithfull House

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

Resthaven review from Daughter-in-Law of Resident

Resthaven is an exceptional care home.

Our mother had complex and rapidly evolving needs as her ongoing paralysis grew steadily worse.

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

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

Royal Court review from Partner of Resident

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

St Faith's review from Daughter-in-Law of Resident

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

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

Secret Garden Daughter of Resident

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

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

FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

Principal Funding Sources

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

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

Investment Policy

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

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

Reserves Policy

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

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

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

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

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

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

RISK MANAGEMENT

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

Subsidiaries

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

Governance

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

Trustees and Chief Executive

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

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

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

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

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

Committees

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

Finance Committee is to oversee financial aspects of the Charity.

Risk Committee is to oversee risk aspects of the organisation.

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

People Committee is to oversee people aspects of the organisation.

Governance Committee is to oversee governance aspects of the organisation.

Estates Committee is to oversee estates aspects of the organisation.

**LILIAN FAITHFULL CARE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

Decisions

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

Fundraising disclosures

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

By order of the Board



.....
F Spencer
Trustee

6/10/2025
Date:

**LILIAN FAITHFULL CARE (Company Number : 06461263)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

Opinion

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

Opinion on financial statements

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

**LILIAN FAITHFULL CARE (Company Number : 06461263)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

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 MARCH 2025
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

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

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

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the company's operations. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006 and taxation laws.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process. Detailed analysis of journals posted through the accounting system during the year to 31 March 2025 has been undertaken;
 - Understanding the controls in place to prevent and detect fraud. Reliance was not placed on controls for the entirety of the audit, instead taking a substantive testing approach, however controls were in place to prevent fraud, and they appeared to be working effectively;
 - Challenging assumptions and judgements made by management in its significant accounting estimates.

Use of our report

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

Martin Howard

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

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

6/10/2025
Date:

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

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

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

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

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

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

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

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

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



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 2025**

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

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

**LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025**

1 ACCOUNTING POLICIES

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

The financial statements are presented in Pounds Sterling.

Company status

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

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

The address of its registered office is:

Faithfull House
Suffolk Square
Cheltenham
Gloucestershire
GL50 2DT

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

Consolidated financial statements

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

Going concern

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

Fund accounting

Funds held by the charity are either:

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

**LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025**

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 PERIOD ENDED 31 MARCH 2025

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 2025

ACCOUNTING POLICIES (continued)

Redundancy costs

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

Critical accounting estimates and areas of judgement

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

Useful economic lives of tangible fixed assets

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

Impairment of debtors

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

Investment property valuation

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

2 INCOME FROM DONATIONS AND LEGACIES

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

3 PROVISION OF CARE

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

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

4 INVESTMENT INCOME

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

5 OTHER INCOME

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

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

6 ANALYSIS OF EXPENDITURE BY ACTIVITY

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

Analysis of direct costs

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

Analysis of support costs

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

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

7 TAXATION

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

8 AUDITOR'S REMUNERATION

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

9 EMPLOYMENT COSTS

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

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

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

	2025 No.	2024 No.
Average number of employees	<u>495</u>	<u>430</u>

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

	2025 No.	2024 No.
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
	<u> </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 £321,646 (2024 - £351,902). 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 2025

10 TRUSTEE'S REMUNERATION AND EXPENSES

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

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

11 TANGIBLE FIXED ASSETS

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

12 INVESTMENT PROPERTY

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

13 FIXED ASSET INVESTMENTS

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

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

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

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

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

14 DEBTORS

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

15 CREDITORS – amounts falling due within one year

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

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

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

17 FINANCIAL INSTRUMENTS

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

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

18 FUNDS

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

19 RESTRICTED FUNDS

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

Restricted Funds

Donations

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

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

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

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

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

23 ANALYSIS OF CHANGES IN NET DEBT

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

24 PENSION COMMITMENTS

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

LILIAN FAITHFULL CARE
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2025

25 OPERATING LEASE COMMITMENTS

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

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

26 RELATED PARTY TRANSACTIONS

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