

THE PILGRIMS FRIEND GROUP

Group Financial Statements For the year ended 31 March 2024



COMPANY NUMBER 07169875
CHARITY NUMBER 1134979

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Trustees' report

The trustees present their report together with the financial statements of the group for the year ended 31 March 2024. The trustees' report incorporates the directors' report and the strategic report prepared for the purposes of company law. The statutory information is listed on page 33.

MISSION REVIEW

Our group charitable objects are to advance the Christian faith and meet the spiritual and physical needs of older people. This work is increasingly needed as the numbers of older people grow with a significant unmet need for Christian care and support and growing opportunities to share what we know about living well with older people in the communities around our homes.

Our vision is to see older people leading fulfilled lives. This means that older people know Jesus, have their physical needs met, and receive the Christian encouragement, care, and support that they need to be fruitful and productive, and live with dignity.

Our goals are to have a growing network of residential care homes and independent living housing schemes through which more people receive excellent Christian care and support, and alongside which we will develop local partnerships between our homes and housing and churches to encourage work amongst older people in the community.

Our values

We talk regularly about our values with all our stakeholders, and they are increasingly embedded in the way that we work.

Compassion is at the heart of how we interact with people. We offer loving care through relationships based on empathy respect and dignity. We get alongside people and show grace to those who are struggling and do what we can to ease people's burdens. We find new ways to care well for older people.

Community is central to human flourishing. We are a community of people who share life together, celebrating victories and supporting each other during challenging times. We share what we do and our vision for the future with others in the wider community.

Transparency is being honest and open which is crucial to doing good work. We are honest, open about challenges and looking for solutions. We listen respectfully to each other and when we disagree, we do so without conflict, and we use mistakes as opportunities to learn and grow.

Excellence is what we strive for in our work. We strive for excellence, making sure that we go above and beyond in our work. We do go the extra mile to do things as well as we possibly can. We steward our resources carefully and take opportunities to get better at the work we do.

Our work and culture

We have a bespoke approach to care which sets us apart in our provision of care for older people known as The Way We Care. At the heart this approach is the understanding that every person living with us is made in the image of God and therefore must be treated as a valued individual who has things to contribute to the life of the community within which they live.

As part of The Way We Care we call those who live with us "family members" as we create communities which are rooted in the idea of being a special kind of family together. As each new "family member" comes to live with us their preferences and personal history is gathered and informs all aspects of their care. It also impacts the kind of activities that are delivered in the home so that each person feels comfortable and welcome in the social context.

An important aspect of The Way We Care is about how those living with dementia can flourish in our homes. We employ people whose role is to spend time with those who live with us, whether that's 30 seconds holding a hand and singing a familiar song or hymn, or five minutes looking at a family photo album.

We also employ The Way We Care Leads who have responsibility for embedding this approach throughout each home, helping carers to take person-centre approach, rather than a task-centred approach, to the delivery of care.

Our Activities and Community Engagement (ACE) Programme has developed well, and we've been able to welcome more volunteers into our homes and make more connections with the communities around our homes. This has meant that visits from schools, churches, and other groups such as choirs are a regular function of life in our homes and that relationships with churches and others in the communities around our homes are stronger. Each volunteer that we train is better equipped to work well with older people in their churches and neighbourhoods.

The quality of our care remained high the year with all CQG and Local Authority reviews finding good or better care, and our own internal monitoring and carehome.co.uk reviews saying the same. Two of the home that joined the Group did so with "Requires Improvement" assessments from CQC and they are now benefitting from our systems and training as we plan to restore their "Good" CQC rating.

During the year we strengthened our team overseeing our housing provision. We agreed a new strategy for our housing provision, and we have started to get to grips with standardising our processes and exploring how to improve our provision.

Our staff

People are the heart of what we do with our supportive and caring Christian communities not only providing a wonderful care and support for older people but also creating a great working environment for our staff.

We have continued to invest heavily in training, particularly in our care staff. The Way We Care continues to be embedded throughout our care homes through specialists known as The Way We Care Leads. Our Activity and Community Engagement Facilitators have been trained and equipped to start sharing some of what we know about living well with older people with churches and others in the community around our homes. During the year we developed this by incepting a project to involve all or our ancillary staff in living well with our family members (in what is called a "whole home approach"), and to extend our scope to include more intentionally the relatives of people living with us and people who care in the community.

We listen to our colleagues through six monthly staff surveys and follow up staff forums. We are pleased that our colleagues remain highly committed to their work and very engaged with the charity seeing as an employer that helps them give of their best. Our staff vacancies rates have reduced significantly over the year, and most of our operations are effectively fully staffed. This has been helped by recruits from overseas, all of whom have been referred to us by existing colleagues or others that we know. We have not used agencies so we can be sure that the recruitment and employment of these colleagues has been to the highest ethical standards.

We have continued to invest in our leaders through our annual Senior Management Team conference and during the year we started to encourage our managers to take spiritual development days to strengthen their capacity to support the spiritual life of their homes and housing.

Growing for the future

We want to see our unique model of Christian care widely available around the UK and this vision is encapsulated in what we call our Renewal Programme of which Middlefields House, the new home we opened in Chippenham in 2021, is the start.

We have been delighted to see how this new building, designed to support The Way We Care in family sized households has led to fulfilled living of the highest order. The home has also exceeded our financial business case assumptions and is producing a surplus that allows us to invest the quality of what we do in Chippenham and elsewhere.

During the year we have made multiple approaches for sites close to some of our older buildings seeking to replicate the success of the renewal that we managed in Chippenham. We call this our Growth and Renewal strategy. Hitherto, we have not been successful, but our search continues particularly in The South Coast area around Worthing. We are looking for sites that will allow a new build and/or the purchasing of existing operations where this will improve the quality of our buildings and support high quality care for the medium term.

In the year we have also seen growth as we have welcomed into the Group the transfer of a care home in Cumbria (Cumbria Emmaus House) and the transfer of Homesdale (Woodford Baptist Homes) Limited, a Registered Society that runs housing and care for older people in Northeast London. There are two other Christian care home charities that we are in discussion with that might lead to the gifting of assets and operations to the Group in 2024/25.

In the year we also faced significant bill for ensuring fire safety at our home in Plymouth that we were not able to justify. This led to the sale of the Bethany Home to a local operator as a going concern and we were able to ensure continuity of the Christian ethos of the home by continuing the employment of the Activity and Community Engagement Facilitator for at least a further two years. We also had to close our domiciliary care agency at Royd Court "Pilgrim Care" as we were finding it impossible to find good staff given the intermittent rotas, we were able to offer because of the size of the scheme.

We have continued to support Faith in Later Life, a charity that we incubated, and it has continued to grow now encouraging, equipping, and inspiring over 900 volunteers working in churches with older people, known as Church Champions. In communities where we don't have care homes and housing then we want to see active Faith in Later Life Church Champions pursuing our charitable objects.

During the year we were also pleased to start an initiative "Christians in Care" to support Christians working in secular care settings helping them keep going and encouraging them in their work to advance the Christian faith amongst older people.

Raising our profile

Our engagement with press, both local and national, has continued with significant media coverage showcasing the value of older people and what it's like to live with us. As an example, International Women's Day in March led to articles in Readers Digest, and references to us in Premier Christianity magazine. Articles appeared regularly in Christian print media.

Our summer campaign was targeted at future supporters in a younger demographic as we encouraged people to prepare well for older age with material presented under the heading of "Getting real About Getting Older".

We prepared a document "Empowering Communities to Care" that developed some of the themes in the archbishops "Reimagining Care Commission". During the year this attracted a lot of support from other charities and as a post balance sheet event will be used to shape policy and raise our profile.

Alongside this were regular appearances by Louise Morse and Stephen Hammersley and on Christian radio including TWR, UCB and Premier Radio, all of which highlighted our work among older Christians.

Funding challenges

The low level of Local Authority funding and significant cost inflation means that the true cost of care is often not met by Local Authorities which, partnered our determination to accept people based on need rather than the ability to pay, results in a more challenging financial trading position than we would like.

The difference between Local Authority and private pay rates has grown dramatically over recent years and erodes our financial surplus. It is hard to see us being able to carry on providing the full breadth of services that are included in The Way We Care in locations where we have large numbers of local authority funded family members unless we can increase our donations commensurately.

We continue to receive generous charitable contributions, particularly in the form of legacies, that we plan to invest in new provision for older people.

MESSAGE FROM THE CEO

There is a lot of detail in our numbers, but as in previous years this must not cloud the fact that in an immensely challenging environment, we have again delivered very high quality and distinctive Christian Care and Support to people who want to live in a Christian community.

I am immensely grateful to my colleagues who make this happen and who are an inspiration to me!

We thank God for the strong headline surplus and that we have started to improve our underlying financial performance as Middlefields House has performed well, occupancy has been strong, and as we have added new homes and housing to our portfolio.

The success of Middlefields is a great encouragement to progress our Growth and Renewal Programme, and we are working hard and trusting in God's timing for sites to repeat this process of modernising our portfolio.

Last year we have strengthened our team so that we have the capacity to help other Christian charities that are struggling with governance and other challenges of running care and housing operations. That allowed us to complete the work to take over the running of the Koinonia Christian Care home in Worthing in April 2023, and subsequently to welcome the transfer of the assets and operations of Cumbria Emmaus House and Homesdale (Woodford Baptist Homes) Limited to The Pilgrims Friend Group. These two latter gifts have a history of profitable trading and came with significant cash assets.

There have been many encouragements as we have progressed our work to enable the Christian faith to be advanced amongst older people through our work.

FINANCIAL REVIEW

During the year ended 31st of March 2024 the group made a net surplus of £9,089,000.

This is after the exceptional surplus arising from the transfer of the assets and operations of Cumbria Emmaus house to the Pilgrims Friend Group and the bringing of Homesdale (Woodford Baptist Homes) Limited into the Pilgrims Friend Group.

The key measure of performance used in the charity's management accounts is its earnings before interest, tax, depreciation, amortisation and rent (EBITDAR). EBITDAR for the year is reported as £9,539,000.

These headline numbers are important as they reflect the total income for the group and the total costs, but as they include the exceptional income and the costs that relate to our planned acquisition of other homes and housing, they don't reflect the financial performance of what might be called the underlying work of the group to deliver care and support to older people through our homes and housing and in the community.

Our homes and housing schemes benefitted from good cost control and strong occupancy as we recovered from post pandemic lows and were in surplus overall. Only Plymouth which lost £212,000 up to January 2024 was in significant deficit owing to low occupancy and unsustainable costs needed to preserve fire safety. This home was sold in January 2024 through an arrangement that retained our Christian activities and community engagement.

These surpluses were not, however, sufficient to cover the costs of acquiring new homes; looking for new sites on which to build new homes; the costs of our work in the communities around our homes; and the costs of welcoming everyone into our homes even if local authority fees are less than our costs of caring. That is why we need and value legacies and donations that amounted to £933,000 in the year.

If we strip out from the headline numbers all the exceptional income that came from the two homes acquired and all of our legacy income that might not be repeatable and our interest income, we have an underlying deficit of £728,000.

The financial results emphasise the need to make progress with our growth and renewal programme to invest in new buildings that will support care and housing work that will be more financially sustainable, similar to our home in Chippenham that was opened in 2021 and replaced an older building that was struggling financially. The cash that we had in our balance sheet at the year end, and more, will be needed to help us make that transition and that is another reason why donations and legacies matter to us.

STATUTORY INFORMATION

Our objects and how we seek to fulfil them

The Pilgrims Friend Group is a non-trading charitable company which is the sole corporate member of Pilgrims' Friend Society, Pilgrim Homes and Pilgrim Homes Trust. In turn, Pilgrims' Friend Society is the sole corporate member of Strathclyde House Trust and Homesdale (Woodford Baptist Homes) Limited. The governing document is the articles of association.

The Pilgrims Friend Group exists to research and understand the context for the delivery of Christian care, and it sets policies and provides direction for the charities in its group. The Board of this charity makes significant decisions for the running of

the group. All the Members of the Board of Trustees of The Pilgrims Friend Group are also on the board of one or more of the Group's subsidiary entities. The trustees of the Pilgrims Friend Group are distributed so that we have the capacity to manage conflicts of interest while transacting business between charities. After taking legal advice as part of the process of bringing the Homesdale (Woodford) Limited into the Group we also enacted the necessary policies that allow us to manage conflicts of interest by directors/trustees temporarily stepping down should that be needed to allow non conflicted decisions.

Responsibility for the day-to-day operations of the charity is delegated to the Chief Executive and Senior Management Team of Pilgrims' Friend Society which has been the main operating charity for the group. The pay of Key Management Personnel is reviewed annually and normally increases in accordance with average earnings bearing in mind charities of similar size and activity.

Pilgrims' Friend Society and The Pilgrim Friends Group have identical objects with the primary object being "the advancement of the Christian faith and the relief of poverty, sickness, disablement, old age and infirmity for the public benefit to the glory of God". Strathclyde House Trust has similar objectives to these two charities. The objects of Pilgrim Homes and its successor charity Pilgrim Homes Trust are: "The relief either individually or collectively of poverty, sickness, disablement, and infirmity of older people of the Protestant Christian faith including by the provision and maintenance of residential care and housing".

Pilgrims' Friend Society advances the Christian faith by operating Christian care and housing for older people and by producing resources that inspire, encourage, and equip others in their work of caring for older people.

Pilgrims' Friend Society operates all our homes and schemes in the group Homesdale (Woodford Baptist Homes) Limited and Strathclyde House Trust apart, in the same way to ensure the same quality of Christian care and to give us economies of scale in our operations. Homesdale (Woodford Baptist Homes) Limited and Strathclyde House Trust remain as distinct legal entities but follow policies and procedures derived from those in place within Pilgrims' Friend Society.

Pilgrim Homes Trust (and Pilgrim Homes before it) fulfils its objects through the ownership of care homes and housing schemes which are operated on its behalf by Pilgrims' Friend Society. Pilgrim Homes Trust is the group charity that built the first of our Renewal Programme homes at Chippenham (Middlefields House).

During the year we brought Homesdale (Woodford Baptist Homes) Limited into the group through a "Grouping Agreement" that also involved their committee members standing down in favour of people drawn from the Pilgrim Friends Group Board. Homesdale (Woodford Baptist Homes) Limited is a Registered Society regulated by the Financial Conduct Authority, a registered provider of social housing, and an exempt charity. As part of the grouping work, we updated the equivalent of the objects of Homesdale (Woodford Baptist Homes) Limited to be consistent explicitly with the objects of the Pilgrim Friends Group.

The Annual Review section of this report sets out how our work provides accommodation and care to older people through the provision of Christian care in a residential setting to those who are over 65 and in need of such accommodation or care because of their age, poverty, sickness or disablement.

Our charities advance the Christian faith by ensuring that beneficiaries have every opportunity to pursue their Christian lives. Regular devotions, opportunities to pray and be supported in prayer, Christian services, Bible studies, opportunities to share fellowship and express Christian beliefs and values through crafts and activities are available in all our homes and schemes.

The benefits of our work are people living safe and fulfilled lives in their later years when they need Christian care and support.

Pilgrims' Friend Society, Homesdale (Woodford Baptist Homes) Limited and Strathclyde House Trust (both of which PFS is the sole member) provide a safe, secure environment and a Christian community with opportunities for fellowship with like-minded Christian people

Public benefit

The charity's trustees have considered the guidance regarding public benefit when considering and planning their objectives and activities for the year.

Employment policies

Pilgrims' Friend Society, Strathclyde House, and Homesdale (Woodford Baptist Homes) Limited always selects staff colleagues based on their ability to do the job on offer based on a "Person Specification" for each post. We are fully compliant with Equalities legislation and recognise our obligations, under Disability Discrimination legislation, to consider reasonable modifications to allow people living with a disability to take up employment. We have an occupational requirement for some posts to be filled by Protestant Christians, who agree with our doctrinal basis, to maintain our founding Christian ethos. These issues are dealt with fully under the charity's Equal Opportunities policies.

All our homes hold regular meetings for all colleagues which are designed to impart information regarding developments within the charity and to give staff opportunity to raise issues. Where any specific proposal is likely to have a significant impact on individual members of staff, such staff are consulted in line with current legislation and good practice. We conduct a charity wide staff survey and feedback to colleagues on how we respond to the issues raised.

We are in regular communication with our staff colleagues on all matters relating to their terms and conditions of employment. We survey our staff colleagues twice a year followed up by forums open to all.

The managers of our homes and schemes meet at least twice a year as the "senior team" and one of these meetings includes discussion with the trustees as to the future direction of the Society. Significant changes to the work of the Society are typically preceded by a consultation with colleagues in our homes and schemes and our volunteers sometimes involving a visit by a member of the executive team and a trustee. We encourage colleagues' involvement in the Society's performance and their awareness of the factors affecting our work through a monthly prayer bulletin that is posted on the noticeboards in all our homes and schemes.

Volunteers

Our volunteers are an vital aspect of our work. As well as raising some of the finances we need they also make them go much further through their volunteering. We are particularly grateful to visitors who provide much needed comfort and company to residents and those who lead the regular acts of worship in our homes. The Charity Commission requires we state a number for these volunteers, and we estimate this to be around 425 (was 200 last year).

Future developments

These are discussed in the Annual Review section of this report.

Related parties

The trustees of the charity consider the following to be related parties:

1. Key Management Personnel of Pilgrims' Friend Society
2. The following charities:
 - a. Pilgrim Homes (charity no. 242266)
 - b. Pilgrims' Friend Society (charity no. 1045920, company no. 3027071)
 - c. Pilgrim Homes Trust (charity no. 1183226, company no. 11685624)
 - d. Strathclyde House Trust – (charity no. SC025550, company no. SC169848)
3. PFG Trading Limited - a limited company
4. Aged Pilgrims' Friend Society Trust Limited - a limited company which holds title to the properties owned by Pilgrim Homes Trust.

Investment policy

These accounts include £0.86 million of investments which are properties owned by Pilgrim Homes which are not suitable to be let to beneficiaries of the Charity and are therefore let as investments to third parties. Some of these properties are close to, or indeed within the curtilage of our care homes and such properties are therefore difficult to dispose of and are, where possible, let to staff members.

Given the need for cash, the trustees take the view that it is better to retain the majority of the charity's funds in bank deposits, rather than investing in other types of assets.

Principal sources of funding

The group expects to continue to raise most of its income from fees charged to residents of its homes and by charges for its housing. The Growth and Renewal Programme will be funded by borrowing, social investment, the sale of some property assets and donations.

Accommodation charges policy

As with the other related charities, this charity sets the level of charges for accommodation in its care homes based on local market conditions. It does not discriminate against older Christians who may not have the resources to meet the costs of their own care and we accept residents whose fees are met on their behalf by local authorities, notwithstanding the shortfall that then arises. In these circumstances we seek a 'top-up' from family or friends where possible.

Fundraising

The charity does not employ outside or commercial fund-raisers. We make sure that our supporters are kept up to date with our work and that they have the opportunity to give to support it. It issues a magazine four times a year and solicits prayer for the work of the charity. Both the magazine and the prayer updates issued by the charity may include mention of financial needs. No complaints have been received in the year about our fundraising. Pilgrims' Friend Society is registered with the Fundraising Regulator.

Risks and regulations

The charity maintains a comprehensive register of risks which is reviewed by the Key Management Personnel at their monthly meetings and by trustees at every trustee meeting. Risks are rated as to both their likelihood and severity. A significant achievement during the year were to be able to reduce our IT related risk rating following the retendering of our IT support contract and the achievement of Cyber Essentials accreditation at one of our homes as a pilot for rolling this out to all our operations. The risks faced by the charity with the highest ratings are:

Risk	Actions to mitigate
Renewal programme at risk because of increasing costs and delays finding sites	Replanning of the Renewal Programme - taken to Board in July 23.
Financial drain on Society as cashflow from homes and schemes unable to finance necessary support costs	Budget process and monitoring - 23/24 budget shows a reduced cash outflow, but an outflow nevertheless.
Ageing of properties to point where costs to maintain are prohibitive	Renewal Programme. Proactive management of emerging problems e.g. fire escape compliance.
PFS unable to retain staff	Working to understand drivers of people leaving. Overseas recruitment. We are no worse than sector average, but this is a major risk and cost.
PFS unable to recruit Christian home managers	Use of agencies to find and recruit as well as proactive advertising. This remains a challenging area. We will prioritise salaried pay at these positions, but the supply of Christian managers is limited. We plan to hold on to good staff if we see future roles.
Tightening labour market increases agency staff costs and dependency on agency staff	This has become a sector wide challenge. We have increased pay faster than living wage and brought pay rises forward. Developing HR support and strengthening team. We need to keep a close eye on this in case we need to do more.
Cost inflation not matched by fees	Keep financial performance under review and be prepared to cut costs and increase fees if necessary.
PFS unable to recruit staff with relevant skills in a timely fashion	Apprenticeships, career paths and plan actions to enhance recruitment. We have recruited over 20 staff from overseas
Reduced occupancy in homes/schemes falling below viability level	Effective occupancy marketing. Timely performance data and management action.
Significant and unresolved non-compliance with regulations	Careful design of PFS compliance policies and QA systems. Careful management and integration of gift acceptance homes.

Reserves

The Charity holds funds of £54,955,000 at the year end. Restricted funds account for £32,780,000 of this and most of these reserves can be used to fund operational costs of a proportion of the operating entities (the Pilgrim Homes). Of the general and designated funds £19,490,000 could only be realised by disposing of tangible fixed assets or programme related investments. This means that the reserves (that is, the part of the charity's unrestricted funds that is freely available to spend on any of the charity's purposes) is £2,685,000; a surplus of £1,685,000 against a target of £1,000,000.

Trustee recruitment and training

Trustees are appointed at a board meeting following a nomination process. Candidates must meet a set of specifications concerning personal competence, specialist skills, availability, and Christian belief. Once the Board and new trustee decide to proceed with a formal appointment there follows an induction period to familiarise the new trustee with the charity's operations. Newly appointed trustees meet with the Chief Executive and members of the Senior Management Team to introduce the affairs of the charity, key operational methods and the current strategic plan. Trustee performance is subject to an annual review by the Chairman and a collective self-appraisal is also undertaken.

Section 172 statement

The directors consider the key stakeholders of the group to be the people living in our homes and schemes and its employees. In their decision-making the directors consider both the short and long term impacts. The directors promote the success of the group for the benefit of its stakeholders by:

- considering the likely consequences of strategic and operational decisions in the long term
- rewarding employees' performance and encouraging their personal development management briefings development reviews health and well-being and social initiatives are used to engage with employees
- providing an excellent service to our customers that is responsive to their needs
- acting fairly between the group's key stakeholders when their priorities differ

In addition, the directors foster the group's business relationships with suppliers and maintain a reputation for high standards of business conduct by specifying values and a code of conduct for staff. The impact of the group's operations on the community and environment is considered when planning new sites.

Streamlined Energy & Carbon Reporting

None of the entities within the group meet the requirements at an individual level for reporting.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of The Pilgrims Friend Group for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the income and expenditure of the charitable group 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking

reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

AUDITORS

Jacob Cavenagh & Skeet were the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees and signed on their behalf by:



Mr J Edwards
Trustee

Date: 18th July 2024

Consolidated statement of financial activities
(incorporating the income and expenditure account)
For the year ended 31 March 2024

		2024			2023		
		Unrest- ricted Funds	Rest- ricted Funds	Total	Unrest- ricted Funds	Rest- ricted Funds	Total
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	9,654	387	10,041	8,368	203	8,571
Investments	3	126	41	167	3	45	48
Charitable activities	4	9,846	9,592	19,438	7,486	8,931	16,417
Other income	5	<u>125</u>	<u>-</u>	<u>125</u>	<u>252</u>	<u>-</u>	<u>252</u>
Total income		<u>19,751</u>	<u>10,020</u>	<u>29,771</u>	<u>16,109</u>	<u>9,179</u>	<u>25,288</u>
Expenditure on:							
Raising funds	6	33	8	41	27	18	45
Charitable activities	7	<u>11,622</u>	<u>9,137</u>	<u>20,759</u>	<u>9,310</u>	<u>9,378</u>	<u>18,688</u>
Total expenditure		<u>11,655</u>	<u>9,145</u>	<u>20,800</u>	<u>9,337</u>	<u>9,396</u>	<u>18,733</u>
Net gains/(losses) on investments		<u>118</u>	<u>-</u>	<u>118</u>	<u>-</u>	(14)	(14)
Net income/(expenditure)		8,214	875	9,089	6,772	(231)	6,541
Transfers between funds		<u>1</u>	(<u>1</u>)	<u>-</u>	(16)	<u>16</u>	<u>-</u>
Net movement in funds		8,215	874	9,089	6,756	(215)	6,541
Reconciliation of funds							
Total funds brought forward		<u>13,960</u>	<u>31,906</u>	<u>45,866</u>	<u>7,204</u>	<u>32,121</u>	<u>39,325</u>
Total funds carried forward		<u>22,175</u>	<u>32,780</u>	<u>54,955</u>	<u>13,960</u>	<u>31,906</u>	<u>45,866</u>

All of the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 14 to 32 form part of these financial statements.

Consolidated balance sheet

As at 31 March 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	10	40,489	33,473
Investments	11	<u>2,835</u>	<u>1,062</u>
		43,324	34,535
Current assets			
Stock	12	713	1,556
Debtors and prepayments	13	4,991	6,596
Cash equivalents on deposit		3,407	2,502
Cash at bank and in hand		<u>4,529</u>	<u>2,297</u>
		13,640	12,951
Creditors: Amounts falling due within one year	14	<u>(2,009)</u>	<u>(1,620)</u>
Net current assets		<u>11,631</u>	<u>11,331</u>
Total assets less current liabilities		<u>54,955</u>	<u>45,866</u>
Net assets		<u>54,955</u>	<u>45,866</u>
Funds:	15		
Unrestricted funds	15,16	22,175	13,960
Restricted funds (including revaluation reserve of £0.523m (2023: £0.523m))	17	<u>32,780</u>	<u>31,906</u>
Total Funds		<u>54,955</u>	<u>45,866</u>

The financial statements were approved by the Trustees on 18th July 2024 and signed on their behalf by:



J Edwards
Trustee

Company Registration No: 07169875

The notes on pages 14 to 32 form part of these financial statements.

Company balance sheet

As at 31 March 2024

	Note	2024 £000	2023 £000
Fixed assets			
Investments	11	<u>7,651</u>	<u>43</u>
		7,651	43
Current assets			
Cash at bank and in hand		—	—
		—	—
Creditors: Amounts falling due within one year		—	—
Net current assets		—	—
Total assets less current liabilities		<u>7,651</u>	<u>43</u>
Funds:			
Unrestricted funds		7,651	43
Restricted funds		—	—
Total Funds		<u>7,651</u>	<u>43</u>

The company's net income for the year was £7,608 (2023: £nil).

The financial statements were approved by the Trustees on 18th July 2024 and signed on its behalf by:



J Edwards
Trustee

Company Registration No: 07169875

The notes on pages 14 to 32 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2024

	2024 £000	2023 £000
Cash flows from operating activities		
<i>Trading and donations</i>		
Net income	9,089	6,541
Depreciation	834	879
Gift of Koinonia net assets excluding cash	-	(2,307)
Gift of Melbourne Hall property	-	(1,059)
Gift of Cumbria Emmaus net assets excluding cash	(1,103)	-
Gift of Homesdale net assets excluding cash	(6,208)	-
Decrease/(increase) in legacy debtors	2,003	(4,386)
Investment income included in investing activities	(167)	(48)
Loss/(gain) on disposal of fixed assets	26	(14)
Realised (gains) on disposal of investments	(1)	-
Movement in fair value of investments	(120)	14
Net cash provided by/(used in) trading and donations	<u>4,353</u>	<u>(380)</u>
<i>Working capital movements</i>		
Decrease in housing stocks	843	299
Transfers from stock to tangible fixed assets	(1,226)	(522)
(Increase)/decrease in debtors excluding legacies	(41)	795
Increase in creditors	293	106
Net cash (used in)/provided by working capital movements	<u>(131)</u>	<u>678</u>
Net cash provided by operating activities	<u>4,222</u>	<u>298</u>
Cash flows from investing and financing activities		
<i>Tangible fixed assets</i>		
Payments on additions of tangible fixed assets	(1,336)	(525)
Adjustments to fixed assets	71	-
Proceeds on disposal of Melbourne Hall	-	1,059
Proceeds on disposal of tangible fixed assets	512	1,455
Net cash (used in)/provided by tangible fixed assets	<u>(753)</u>	<u>1,989</u>
<i>Fixed asset investments</i>		
Investment income received	167	48
Payments on additions of fixed asset investments	(508)	(200)
Proceeds on disposal of fixed asset investments	9	762
Net cash (used in)/provided by fixed asset investments	<u>(332)</u>	<u>610</u>
<i>Financing activities</i>		
Repayment of borrowings	-	(1,500)
Net cash (used in) financing activities	<u>-</u>	<u>(1,500)</u>
Net cash (used in)/provided by investing and financing activities	<u>(1,085)</u>	<u>1,099</u>
Net cash inflow	3,137	1,397
Cash and cash equivalents at 1 April 2023	4,799	3,402
Cash and cash equivalents at 31 March 2024	<u>7,936</u>	<u>4,799</u>

1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in England and Wales and is governed by its Memorandum and Articles of Association. Its registered office is 175 Tower Bridge Road, London SE1 2AL.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1a. Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006, the Charities Act 2011 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include certain investments and financial instruments at fair value.

1b. Consolidation

The consolidated financial statements combine the results of the charity and its subsidiary undertakings which are as follows:

Name	Activities
The Pilgrims Friend Group	Parent charity with no assets, income or expenditure of its own
Pilgrims' Friend Society	Operation of care homes and sheltered accommodation
Pilgrim Homes (formerly Aged Pilgrims' Friend Society)	Operation of care homes and sheltered accommodation
Pilgrim Homes Trust	Operation of care homes and sheltered accommodation
Strathclyde House Trust	Operation of sheltered accommodation
PFG Trading Limited	Trading activities connected with the group
Homesdale (Woodford Baptist Homes) Ltd	Operation of care homes and sheltered accommodation

The transactions and balances of the subsidiary undertakings are included in the consolidated accounts on a line by line basis with intragroup transactions eliminated on consolidation.

Where the charitable company has been installed as sole trustee of a charitable subsidiary during the period the fair value of the assets and liabilities brought into the group is recognised within voluntary income.

A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

1c. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1. ACCOUNTING POLICIES (continued)

1d. Tangible fixed assets

Fixed assets are recorded at historic cost. Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight-line basis:

Land	nil
Buildings	100 years
Roof	70 years
Electrics	40 years
Windows, doors, heating and plumbing	30 years
Bathrooms and lifts	20 years
Kitchens – sheltered	20 years
Boilers	15 years
Kitchens – residential	10 years
Furniture and equipment – sheltered	10 years
Hard landscaping	5 years
Motor vehicles	4 years
Computer equipment	4 years

1e. Investments

Investment properties comprise properties, all owned by Pilgrim Homes (formerly Aged Pilgrims' Friend Society) which are not suitable for occupation by beneficiaries of the charities within the group and are therefore let on commercial terms to either staff members or third parties. Listed investments are stated at fair value. All investments are revalued every year with the investment gains or losses shown in the Statement of Financial Activities.

1f. Income

Housing and care income is recognised on the basis of the period that the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

1g. Grants

Grant income is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

1h. Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the company's activities.

1i. Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

1. ACCOUNTING POLICIES (continued)

1j. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustee for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund are set out in note 18 to the financial statements.

1k. Leases

Rentals payable under operating leases are dealt with on a straight-line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

1l. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1m. Stocks

Stocks are stated at the lower of cost and net realisable value.

1n. Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

1o. Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit. Cash equivalents on deposit includes cash on deposit with a maturity of over three months.

1p. Creditors and provisions

Creditors and provisions are recognised where the group has a present obligation arising 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. Creditors and provisions are recognised at their settlement amount. Concessionary loans are included at historic cost.

1q. Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Donations	150	324	474	279
Net assets gifted by Cumbria Emmaus	1,500	-	1,500	-
Net assets gifted by Homesdale	7,608	-	7,608	-
Donation of Melbourne Hall property	-	-	-	1,059
Net assets gifted by Koinonia	-	-	-	2,434
Legacies	<u>396</u>	<u>63</u>	<u>459</u>	<u>4,799</u>
	<u>9,654</u>	<u>387</u>	<u>10,041</u>	<u>8,571</u>

3. INCOME FROM INVESTMENTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Bank interest	121	6	127	3
Rental of investment properties	-	35	35	43
Other interest	<u>5</u>	<u>-</u>	<u>5</u>	<u>2</u>
	<u>126</u>	<u>41</u>	<u>167</u>	<u>48</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Care fees	9,225	8,437	17,662	14,592
Housing income	297	782	1,079	1,003
Extra Care Housing lease sales	324	373	697	776
Covid-19 LA care grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>
	<u>9,846</u>	<u>9,592</u>	<u>19,438</u>	<u>16,417</u>

5. INCOME FROM OTHER SOURCES

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Gain on disposal of tangible fixed assets	125	-	125	248
Commercial trading operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
	<u>125</u>	<u>-</u>	<u>125</u>	<u>252</u>

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Publicity and deputation	<u>33</u>	<u>8</u>	<u>41</u>	<u>45</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES

<i>Activities split by fund:</i>	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Housing	263	738	1,001	1,358
Care	9,662	7,678	17,340	15,030
Cost of Extra Care leases sold	310	373	683	759
Education and training	281	24	305	216
Raising awareness	136	8	144	106
General support costs	<u>592</u>	<u>(166)</u>	<u>426</u>	<u>340</u>
	11,244	8,655	19,899	17,809
Depreciation	352	482	834	879
Loss on disposal	<u>26</u>	<u>-</u>	<u>26</u>	<u>-</u>
	<u>11,622</u>	<u>9,137</u>	<u>20,759</u>	<u>18,688</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

<i>Analysis by activity:</i>	Housing £000	Care £000	Extra care leases £000	Education & training £000	Raising awareness £000	General support £000	Total 2024 £000	Total 2023 £000
Salaries and wages	216	11,218	-	196	66	1,986	13,682	12,164
Food	113	743	-	-	-	-	856	776
Administrative expenses	34	484	-	15	-	612	1,145	1,169
Repairs and maintenance	231	1,004	-	-	-	-	1,235	1,215
Heat and light	93	537	-	-	-	-	630	533
Other expenses	116	850	-	94	78	-	1,138	930
Cost of Extra Care leases sold	-	-	683	-	-	-	683	759
Professional fees	-	50	-	-	-	-	533	271
Governance costs: audit fees	-	3	-	-	-	30	33	32
Allocated administrative costs	198	2,451	-	-	-	(2,685)	(36)	(40)
	1,001	17,340	683	305	144	426	19,899	17,809
Buildings depreciation	206	406	-	-	-	-	612	686
Loss/(gain) on disposal	-	-	-	-	-	26	26	-
General depreciation	16	185	-	-	-	21	222	193
	1,223	17,931	683	305	144	473	20,759	18,688

During the year the auditors were paid £20,000, including irrecoverable VAT, for non-audit services (2023: £31,000).

Support costs (less allocated administrative costs):

Staff costs	1,986	1,559
Depreciation	21	25
Professional fees	513	230
Loss on disposal	26	-
Other administrative expenses	612	564
	<u>3,158</u>	<u>2,378</u>

8. STAFF COSTS

	2024 £000	2023 £000
Wages and salaries	11,564	9,584
Social security costs	883	705
Pension costs	387	386
Agency staff costs	<u>848</u>	<u>1,489</u>
	13,682	12,164

The average number of staff employed in the year on headcount was:

	No	No
Homes	588	529
Head Office	<u>41</u>	<u>42</u>
	629	571

The average number of staff employed at the end of the year on a full-time equivalent basis was:

	No	No
Homes	464	397
Head Office	<u>40</u>	<u>38</u>
	504	435

The emoluments of ten employees exceeded £60,000 in the year ended 31 March 2024 (2023: five). Four of those employees earned between £60,000 and £70,000, Three earned between £70,000 and £80,000, one earned between £80,000 and £90,000, one earned between £90,000 and £100,000 and one earned between £110,000 and £120,000 including redundancy pay (2023: three between £60,000 and £70,000, one between £80,000 and £90,000 and one between £90,000 and £100,000).

Remuneration of £1,574 (2023: £3,044) was paid to one trustee, Mr Martyn Hallett during the year for employment as pastoral co-ordinator on a part time basis. Mr Hallett started this paid role on 1 March 2020, before he was appointed as a trustee in October 2022. Continued employment is in accordance with Clause 4 of the Articles of Association of the Charity and consent given by the Charity Commission. No remuneration was paid to any other trustee during the year. Travel expenses of £343 (2023: £1,180) were reimbursed to 3 trustees (2023: 4 trustees) for items incurred wholly, exclusively and necessarily in the course of the charity's activities.

The total aggregate remuneration of Key Management Personnel for the year was £532,785 (2023: £496,272).

The total remuneration (including gross salary, employer's National Insurance, benefits in kind and employer's pensions contributions) paid to family members of the trustees was £48,293 (2023: £58,884).

9. NET INCOME

	2024 £000	2023 £000
This is stated after charging:		
Depreciation	834	879
Net (gain) on disposal of tangible fixed assets	(99)	(248)
Loan interest	-	22
Auditors' remuneration for audit services	33	37
Auditors' remuneration for other services	<u>20</u>	<u>31</u>

10. TANGIBLE FIXED ASSETS

	Freehold and leasehold properties £000	Furniture, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
As at 1 April 2023	39,977	2,395	111	42,483
Additions	1,094	136	106	1,336
Adjustments from acquisitions	8,893	1,085	33	10,011
Disposals	(705)	(124)	-	(829)
Transfer from stock	<u>1,226</u>	<u>-</u>	<u>-</u>	<u>1,226</u>
As at 31 March 2024	<u>50,485</u>	<u>3,492</u>	<u>250</u>	<u>54,227</u>
Depreciation				
As at 1 April 2023	7,612	1,341	57	9,010
Charge for the year	624	173	37	834
Adjustments from acquisitions	3,101	1,051	33	4,185
Released on disposals	(260)	(85)	-	(291)
As at 31 March 2024	<u>11,131</u>	<u>2,480</u>	<u>127</u>	<u>13,738</u>
Net book value				
As at 31 March 2024	<u>39,354</u>	<u>1,012</u>	<u>123</u>	<u>40,489</u>
As at 31 March 2023	<u>32,365</u>	<u>1,054</u>	<u>54</u>	<u>33,473</u>

The properties detailed above are owned by Pilgrims' Friend Society, Pilgrim Homes Trust and Strathclyde House Trust, which are subsidiaries of The Pilgrims Friend Group. Details of cost or deemed cost of the properties is detailed below and on the following page:

	2024 £000	2023 £000
Pilgrims' Friend Society		
Freehold property:		
Bethany Christian Home, Plymouth	-	605
Ernest Luff Care Home, Walton-on-the-Naze	2,419	2,265
Ernest Luff House, Walton-on-the-Naze	1,590	1,611
Emmaus Care Home, Harrogate	1,162	889
Permanent landscape, Ernest Luff Care Home	34	34
Koinonia Christian Care, Worthing	2,033	2,015
Emmaus House, Whitehaven, Cumbria	1,284	-
Carey Gardens, Kirby Muxloe	<u>1,278</u>	<u>1,130</u>
	9,800	8,549
Strathclyde House Trust		
Freehold property:		
Strathclyde House, Skelmorlie	<u>2,552</u>	<u>2,237</u>
Carried forward	<u>12,352</u>	<u>10,786</u>

10. TANGIBLE FIXED ASSETS (continued)

	2024 £000	2023 £000
Pilgrim Homes Trust		
Freehold property:		
Dorothea Court, Bedford	4,443	4,401
Middlefields House Chippenham	7,281	7,258
Great Finborough	4,679	4,460
Evington Home, Leicester	2,348	2,348
Shottermill Home, Haslemere	1,719	1,564
Milward Home, Tunbridge Wells	1,408	1,384
Wantage Home	1,814	1,773
Royd Court, Mirfield	3,867	3,458
Pilgrim Gardens, Evington, Leicester	3,082	2,081
Brighton Home (at deemed cost)	<u>675</u>	<u>464</u>
	31,316	29,191
Homesdale (Woodford Baptist Homes) Ltd		
Freehold property:		
Homesdale Housing and Care Home, New Wanstead	<u>6,817</u>	<u>-</u>
Brought forward from previous page	12,352	10,786
Total properties	<u>50,485</u>	<u>39,977</u>

11. INVESTMENTS - GROUP

	Listed Investments £000	Investment properties £000	Total £000
Valuation			
As at 1 April 2023	200	862	1,062
Additions	508	-	508
Gift from Homesdale	1,154	-	1,154
Disposals	(9)	-	(9)
Revaluation	<u>120</u>	<u>-</u>	<u>120</u>
As at 31 March 2024	<u>1,973</u>	<u>862</u>	<u>2,835</u>
Held by			
General Funds	1,973	-	1,973
Restricted funds	<u>-</u>	<u>862</u>	<u>862</u>
	<u>1,973</u>	<u>862</u>	<u>2,835</u>
Historic cost			
As at 31 March 2024	<u>1,862</u>	<u>338</u>	<u>2,200</u>

11. INVESTMENTS – GROUP (continued)

Investment properties comprise the following:

	2024 £000	2023 £000
At market value:		
House on Pilgrims' Way, Great Finborough	275	275
60 Royd Court, Mirfield	207	207
Redbourn Land	5	5
House on Liphook Road, Haslemere	<u>375</u>	<u>375</u>
	<u>862</u>	<u>862</u>

The investment properties were revalued at the open market value as at 31 March 2024 by the previous Director of Property Services, Andy Walsh ARIBA.

12. INVESTMENTS – COMPANY ONLY

	2024 £000	2023 £000
Investment in PFG Trading Ltd	43	43
Investment in Homesdale (Woodford Baptist Homes) Ltd	<u>7,608</u>	<u>-</u>
	<u>7,651</u>	<u>43</u>

13. STOCK

	2024 £000	2023 £000
Stock of flats held for resale (see below)	691	1,476
Preliminary costs of new building	22	73
Stock of books	<u>-</u>	<u>7</u>
	<u>713</u>	<u>1,566</u>

	<i>Strathclyde House</i>		<i>Royd Court</i>		<i>Pilgrim Gardens</i>		
	Number	Cost	Number	Cost	Number	Cost	Total
	No	£000	No	£000	No	£000	£000
As at 1 April 2023	3	242	3	355	6	879	1,476
Sold	(3)	(310)	(3)	(373)	(1)	(140)	(823)
Transferred to fixed assets	(3)	(251)	(2)	(235)	(5)	(739)	(1,255)
Bought back	8	875	3	388	-	-	1,263
As at 31 March 2024	<u>5</u>	<u>556</u>	<u>1</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>691</u>

Contingent liabilities on housing stock

Under the terms of the sale of properties at Strathclyde House, the Strathclyde House Trust has the right of first refusal when freehold flats are offered for sale and it is the practice of the charity to exercise that right to maintain the ethos and atmosphere on the site. The total potential value of the flats not held by the charity at 31 March 2024 is £2.8 million.

Under the terms of the sale of leases at Royd Court, Pilgrim Homes Trust is committed to repurchase leases should leaseholders cease to be residents. The total potential value of the flats not held in stock at 31 March 2024 is £3.9 million.

Under the terms of the sale of leases at Pilgrim Gardens, Pilgrim Homes Trust is committed to repurchase leases should leaseholders cease to be residents. The total potential value of the flats not held in stock at 31 March 2024 is £1.26 million.

14. DEBTORS AND PREPAYMENTS

	2024 £000	2023 £000
Arrears of local authority and residents' contribution	229	212
Amounts owed from Pilgrim Gardens service charge	56	15
Amounts owed from Royd Court service charge	251	147
Amounts owed from Strathclyde service charge	70	58
Other debtors and prepayments	<u>4,385</u>	<u>6,164</u>
	<u>4,991</u>	<u>6,596</u>

15. CREDITORS AND ACCRUALS: amounts falling due within one year

	2024 £000	2023 £000
Residents' contributions in advance	25	-
Short terms loans	115	165
Trade creditors	315	438
Taxation and social security	195	137
Other creditors and accruals	<u>1,359</u>	<u>880</u>
	<u>2,009</u>	<u>1,620</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £000	Designated Funds £000	Restricted Funds £000	Total Funds £000
2024				
Fixed assets				
Tangible	17,517	-	22,972	40,489
Investments	1,973	-	862	2,835
Current assets	4,694	-	8,946	13,640
Current liabilities	(2,009)	-	-	(2,009)
Total Net Assets	<u>22,175</u>	<u>-</u>	<u>32,780</u>	<u>54,955</u>
2023				
Fixed assets				
Tangible	7,582	1,976	23,915	33,473
Investments	200	-	862	1,062
Current assets	6,046	(224)	7,129	12,951
Current liabilities	(1,612)	(8)	-	(1,620)
Total Net Assets	<u>12,216</u>	<u>1,744</u>	<u>31,906</u>	<u>45,866</u>

17. DESIGNATED FUNDS

	Brought forward at 1 April 2023	Income	Expenditure	Net assets gifted/ revaluations & transfers	Carried forward at 31 March 2024
	£000	£000	£000	£000	£000
2024					
Strathclyde House Trust	<u>1,744</u>	<u>456</u>	<u>(521)</u>	<u>(1,679)</u>	<u>-</u>
	<u>1,744</u>	<u>456</u>	<u>(521)</u>	<u>(1,679)</u>	<u>-</u>
2023					
Strathclyde House Trust	<u>1,902</u>	<u>364</u>	<u>(522)</u>	<u>-</u>	<u>1,744</u>
	<u>1,902</u>	<u>364</u>	<u>(522)</u>	<u>-</u>	<u>1,744</u>

18. a) RESTRICTED FUNDS – PILGRIM HOMES

2024

Funds restricted by Pilgrim Homes articles:

General unrestricted funds

Pilgrim Homes Fund

Designated Funds

Operational Assets Equity Fund

Operational Risk Reserve

Property Emergency Repair Fund

Total designated funds restricted by Pilgrim Homes articles

Pilgrim Homes Restricted Funds

St Albans Home

Lucy McNeil Home

Homes Voluntary Support Funds (see note 19c)

Total restricted funds restricted by Pilgrim Homes articles

Total restricted funds – Pilgrim Homes

18. b) RESTRICTED FUNDS – GENERAL

Faith in Later Life

Homes Voluntary Support Funds (see note 19c)

Local Homes Project Funds

Dementia Fund

Total restricted funds - general

Total restricted funds

	Brought forward at 1 April 2023 £000	Income £000	Expenditure £000	Revaluations and transfers £000	Carried forward at 31 March 2024 £000
Pilgrim Homes Fund	<u>5,000</u>	<u>9,925</u>	<u>(9,069)</u>	<u>(1,231)</u>	<u>4,625</u>
Operational Assets Equity Fund	23,274	-	-	1,252	24,526
Operational Risk Reserve	1,030	-	-	-	1,030
Property Emergency Repair Fund	<u>50</u>	-	-	-	<u>50</u>
<i>Total designated funds restricted by Pilgrim Homes articles</i>	<u>24,354</u>	-	-	<u>1,252</u>	<u>25,606</u>
St Albans Home	526	-	-	-	526
Lucy McNeil Home	1,849	-	-	-	1,849
Homes Voluntary Support Funds (see note 19c)	<u>59</u>	<u>39</u>	<u>(26)</u>	<u>(21)</u>	<u>51</u>
<i>Total restricted funds restricted by Pilgrim Homes articles</i>	<u>2,434</u>	<u>39</u>	<u>(26)</u>	<u>(21)</u>	<u>2,426</u>
Total restricted funds – Pilgrim Homes	<u>31,788</u>	<u>9,964</u>	<u>(9,095)</u>	-	<u>32,657</u>
Faith in Later Life	-	40	(40)	-	-
Homes Voluntary Support Funds (see note 19c)	89	5	-	(1)	93
Local Homes Project Funds	21	10	(10)	-	21
Dementia Fund	<u>8</u>	<u>1</u>	-	-	<u>9</u>
Total restricted funds - general	<u>118</u>	<u>56</u>	<u>(50)</u>	<u>(1)</u>	<u>123</u>
Total restricted funds	<u>31,906</u>	<u>10,020</u>	<u>(9,145)</u>	<u>(1)</u>	<u>32,780</u>

18. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS

2024	Brought forward at 1 April 2023 £000	Income £000	Expenditure £000	Revaluations and transfers £000	Carried forward at 31 March 2024 £000
Funds restricted by Pilgrim Homes articles:					
Great Finborough	-	2	(1)	(1)	-
Evington	-	15	(2)	(7)	6
Tunbridge Wells	18	2	-	(3)	17
Wantage	23	16	(23)	(1)	15
Shottermill	17	4	-	(8)	13
Bedford	<u>1</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
	59	39	(26)	(21)	51
Other restricted funds					
Emmaus House	5	1	-	-	6
Koinonia	-	1	-	(1)	-
Kirby Muxloe	79	-	-	-	79
Middefields	<u>5</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>8</u>
	89	5	-	(1)	93
Total Homes Voluntary Support Funds	<u>148</u>	<u>44</u>	<u>(26)</u>	<u>(22)</u>	<u>144</u>

19. a) RESTRICTED FUNDS – PILGRIM HOMES (comparatives)

2023	Brought forward at 1 April 2022 £000	Income £000	Expenditure £000	Revaluations and transfers £000	Carried forward at 31 March 2023 £000
<i>Funds restricted by Pilgrim Homes articles:</i>					
<i>General unrestricted funds</i>					
Pilgrim Homes Fund	<u>3,414</u>	<u>9,009</u>	<u>(9,259)</u>	<u>1,836</u>	<u>5,000</u>
<i>Designated Funds</i>					
Operational Assets Equity Fund	25,025	-	-	(1,751)	23,274
Operational Risk Reserve	1,030	-	-	-	1,030
Property Emergency Repair Fund	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
<i>Total designated funds restricted by Pilgrim Homes articles</i>	<u>26,105</u>	<u>-</u>	<u>-</u>	<u>(1,751)</u>	<u>24,354</u>
<i>Pilgrim Homes Restricted Funds</i>					
St Albans Home	526	-	-	-	526
Lucy McNeil Home	1,849	-	-	-	1,849
Homes Voluntary Support Funds (see note 19c)	<u>116</u>	<u>41</u>	<u>-</u>	<u>(98)</u>	<u>59</u>
<i>Total restricted funds restricted by Pilgrim Homes articles</i>	<u>2,491</u>	<u>41</u>	<u>-</u>	<u>(98)</u>	<u>2,434</u>
Total restricted funds – Pilgrim Homes	<u>32,010</u>	<u>9,050</u>	<u>(9,259)</u>	<u>(13)</u>	<u>31,788</u>
b) RESTRICTED FUNDS – GENERAL (comparatives)					
Faith in Later Life	10	70	(80)	-	-
Homes Voluntary Support Funds (see note 19c)	14	9	(14)	80	89
Local Homes Project Funds	15	3	3	-	21
Carey Gardens	65	-	-	(65)	-
Covid-19 LA Grants Fund	-	46	(46)	-	-
Dementia Fund	<u>7</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>8</u>
<i>Total restricted funds - general</i>	<u>111</u>	<u>129</u>	<u>(137)</u>	<u>15</u>	<u>118</u>
Total restricted funds	<u>32,121</u>	<u>9,179</u>	<u>(9,396)</u>	<u>2</u>	<u>31,906</u>

19. c) RESTRICTED FUNDS – HOMES VOLUNTARY SUPPORT FUNDS (comparatives)

2023	Brought forward at 1 April 2022 £000	Income £000	Expenditure £000	Revaluations and transfers £000	Carried forward at 31 March 2023 £000
Funds restricted by Pilgrim Homes articles:					
Chippenham	3	-	-	(3)	-
Great Finborough	59	6	-	(65)	-
Evington	18	4	-	(22)	-
Tunbridge Wells	4	14	-	-	18
Wantage	14	16	-	(7)	23
Shottermill	17	1	-	(1)	17
Bedford	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
	116	41	-	(98)	59
Other restricted funds					
Ernest Luff Care	1	-	-	(1)	-
Bethany Christian Home	2	2	-	(4)	-
Emmaus House	2	3	-	-	5
Florence House	2	-	-	(2)	-
Koinonia	-	1	-	(1)	-
Kirby Muxloe	5	-	(14)	88	79
Middlefields	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>5</u>
	14	9	(14)	80	89
Total Homes Voluntary Support Funds	<u>130</u>	<u>50</u>	<u>(14)</u>	<u>(18)</u>	<u>148</u>

20. FURTHER DETAILS ABOUT RESTRICTED AND DESIGNATED FUNDS

Pilgrim Homes Fund

This heading includes the reserves of Pilgrim Homes and the Pilgrim Homes Restricted Fund which were transferred from those charities to Pilgrim Homes Trust on 31 March 2020.

Operational Assets Equity Fund

Established to reflect the value of fixed asset properties owned by Pilgrim Homes Trust which would not be capable of disposal without affecting the ongoing work of the charity.

Operational Risk Reserve

This fund consists of funds required to ensure the continuity of care in the event of a major disruption to the operation of the charity.

Property Emergency Repair Fund

This fund has been established within Pilgrim Homes to meet the costs of emergency repairs to that charity's properties.

Strathclyde House Trust Fund

This was earmarked by trustees to represent the value of the assets held within Strathclyde House Trust. It was decided that this was no longer useful and therefore the balance of this fund was transferred to the General Fund.

St Albans and Lucy McNeil Home Funds

These funds relate to the receipt of donations and the proceeds of various fundraising activities for the purpose of establishing new homes.

Faith in Later Life

This represents donations from the Outlook Trust and a number of partner charities for use towards the costs of the 'Faith in Later Life' initiative mentioned in the Trustees' report. This initiative is in the course of being incorporated as a separate charity and following incorporation the balance of funds held will be transferred to this new charity.

Local Homes Project Funds

These represent the amounts raised and spent by local homes towards specific locally agreed initiatives within specific homes.

Dementia Fund

This fund is utilised to assist in meeting the costs of new initiatives to better look after our residents with dementia.

Homes Voluntary Support Funds

Homes Voluntary support funds represent donations made by supporters for the purpose of improving care at specific homes. These funds are also available, in the event of a home making a trading loss in a financial year, to reduce the loss sustained.

Covid grants

This relates to grants received by local authorities to deal with increased costs of dealing with the pandemic (e.g. staff and personal protective equipment).

Carey Gardens

This represents a donation to fund substantial capital improvements at Carey Gardens, as a supplement to the sinking fund contributions paid by residents.

21. LEASING COMMITMENTS

Operating leases

The charitable company's total future minimum lease payments under operating leases at 31 March 2024 were payable as set out below:

	2024 £000	2023 £000
Within one year	38	50
Within two to five years	<u>42</u>	<u>63</u>
	<u>80</u>	<u>113</u>

The operating lease charges for the year were:

	2024 £000	2023 £000
Land and buildings	60	97
Hire of plant and machinery	<u>41</u>	<u>51</u>
	<u>101</u>	<u>148</u>

The lease over 175 Tower Bridge Road, London expired on 31 December 2014. Since that date the charity has continued to pay rent at the existing annual rate of £67,000. The charity is required to give 3 months' notice under Section 27 of the Landlord & Tenant Act 1954 of its intention to vacate the premises.

22. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the group to the pension funds. There were contributions of £75,000 due to the fund at the period end (2023: £61,000).

The Society also makes a small number of *ex gratia* pension payments to former employees. The annual commitment to make these payments has been reducing over the past few years and currently stands at around £3,000 per annum. A few years ago the trustees considered whether to accrue for this liability but, given the amounts payable, the age of those receiving a pension and the complexity of determining an appropriate reserve, no provision was made.

23. CAPITAL COMMITMENTS

No capital commitments were due as at 31 March 2024.

24. CONTINGENT LIABILITIES

A gift of £500,000 was made to Strathclyde House Trust by the Souter Charitable Trust in June 2019. This gift was made subject to a repayment clause which stated that in the event that Strathclyde House was to be disposed of by the charity within a period of the ten years commencing 3 June 2019, Strathclyde House Trust would be obliged to repay a proportion of the gift to the Souter Charitable Trust. The amount due to be repaid reduces by £50,000 for each complete year that Strathclyde House is owned by the Pilgrim Friends Group. At the date of these accounts, the maximum repayment due would be £350,000. The Pilgrim Friends Group has no plans to dispose of Strathclyde House.

A social housing grant received by Homesdale (Woodford Baptist Homes) Ltd in is repayable in full under certain circumstances such as the sale of the Homesdale property without reinvestment. The total amount received to date is £2,548,994. No liability is recognised in the consolidated accounts.

25. RELATED PARTY TRANSACTIONS

Details of trustees' and key management personnel and remuneration are disclosed in note 8 to the financial statements. There are no other related party transactions.

26. LIFE TENANCY

In 2012 the charity was notified of a legacy which included a share of a freehold property, which is subject to a life tenancy. The conditions for recognition of this income have not been met and therefore this legacy is not included as income in the accounts. The estimated value of the legacy is unknown at present.

27. CHURSTON FERRERS OVERAGE

The sale of the land at Churston Ferrers included an overage agreement stating that Pilgrim Homes Trust will receive payment if planning permission is granted on the land disposed of before 2052.

28. POST BALANCE SHEET EVENT

Following the year end, a contract for works to the roof of the building at Strath Clyde House Trust Ltd was signed in May 2024. The overall cost of the works is estimated to be £235,000.

29. COMPANY LIMITED BY GUARANTEE

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Statutory information

DIRECTORS AND TRUSTEES

Michael Abbott (Chairman)
Alan Copeman (Vice-Chairman)
Andrew Symonds (Vice-Chairman)
Bryan Jarvis (Vice-Chairman) (resigned 31 December 2023)
Dr Judy McLaren
Genefer Espejo

John Edwards
Mark Curran
Max Robinson (resigned 24 July 2023)
Robin Turnbull (resigned 31 December 2023)
Sheila Warnes
Sylvia Clovey
Martin Hallett (resigned 19 June 2023)

COMPANY SECRETARY

Robert Fricker

REGISTERED OFFICE

175 Tower Bridge Road
London
SE1 2AL

COMPANY NUMBER 07169875
CHARITY NUMBER 1134979

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

AUDITORS

Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the charity were the Trustees and the members of Senior Management Team whose names and responsibilities are listed below:

Stephen Hammersley	<i>Chief Executive Officer</i>
Maureen Sim	<i>Director of Operations</i>
Debbie Buggs	<i>Director of Finance (resigned 9 October 2023)</i>
Julian Hillman	<i>Director of Finance (appointed 4 December 2023)</i>
Hugh Lambourne	<i>Director of Property Services</i>
Joshua Field	<i>Director of Human Resources</i>
Alexandra Davis	<i>Director of Marketing and Communications</i>

Independent auditor's report to the trustees of The Pilgrims Friend Group

OPINION

We have audited the financial statements of The Pilgrims Friend Group (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated Statement of Financial Activities, the consolidated and company's Balance Sheets, the consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including the group income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, or the strategic report included with the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 145 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to charity financial reporting, employment, health & safety and care and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to:

- accounting measurements of property
- disclosure of capital commitments or provisions
- recognition of legacy income
- fraudulent extraction of cash

In response to the risks identified we designed procedures which included, but were not limited to:

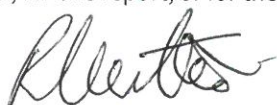
- reviewing third party evidence of investment property valuations
- agreeing financial statement disclosures to underlying supporting documentation
- identifying and reviewing journal entries
- discussions with management and review of legal correspondence
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

Chartered Accountants
Statutory Auditor

Date: 22 July 2024



5 Robin Hood Lane
Sutton
Surrey
SM1 2SW