

THE HENRY LONSDALE TRUST

England & Wales · Charity number 1168707

Details

Status Registered

Legal form CIO

Registered 2016-08-10

Register [View on the Charity Commission register](#)

Contact

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Rose Hill Residential Home
Aglionby
Carlisle
CA4 8AA

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Website www.henrylonsdaletrust.org.uk

Activities

Objects: 1) THE OBJECT OF THE CHARITY SHALL BE THE RELIEF OF NEEDY ELDERLY PEOPLE IN ONE OR MORE OF THE FOLLOWING WAYS; (A) BY THE PROVISION AND MAINTENANCE OF A HOME OR HOMES FOR ELDERLY PEOPLE OF LIMITED MEANS. (B) BY THE PROVISION OF DAY AND RESPIRE CARE CENTRES FOR ELDERLY PERSONS OF LIMITED MEANS. (C) BY THE PROVISION OF FINANCIAL ASSISTANCE AND OTHER SERVICES FOR ELDERLY PERSONS OF LIMITED MEANS WHO REQUIRE THOSE SERVICES OR ASSISTANCE BY REASON OF THEIR AGE AND LIMITATION OF MEANS.

Activities: The object of the Charity is the relief of needy elderly people. The principal activity of the Charity is to provide high quality, professional residential care at two Homes for elderly persons of limited means at Rosehill and Barn Close, Carlisle. In addition, since 2016 the Charity has made grants to Age UK Carlisle and Eden to fund a Carlisle based information and advice officer.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Accommodation/housing
- **Who:** Elderly/old People

Geography

- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,237,010	£2,274,798	£4,633,290	79
2024-03-31	£2,067,745	£2,127,991	£4,575,331	76
2023-03-31	£1,800,383	£1,978,965	£2,938,741	81
2022-03-31	£2,781,266	£3,458,068	£3,157,732	118
2021-03-31	£2,891,358	£2,837,354	£3,804,521	125

Trustees

Name	Role	Appointed
JOHN MALLINSON	Chair	2022-08-10
Ann Vipond McKerrell		2022-11-09
Councillor Anne Glendinning		2023-06-06
Geoff Mitchell		2023-06-06
JESSICA RIDDLE		2022-08-10
JOANNA LEITH		2022-08-10
Jeanette Whalen		2023-06-06

THE HENRY LONSDALE TRUST

England & Wales - Charity number 1168707

Accounts

Charity registration number 1168707 (England and Wales)

THE HENRY LONSDALE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE HENRY LONSDALE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J Mallinson
Ms J Leith
Mrs J Riddle (Vice Chair)
Mrs A Mckerrell
Mrs A Glendinning
Mr G Mitchel
Miss J Whalen

Charity number

1168707

Principal address

Rosehill Residential Home
Rosehill
Aglionby
Carlisle
Cumbria

CA4 8AA

Auditor

Saint & Co.
Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA

Bankers

HSBC Plc
English Street
Carlisle
Cumbria
CA3 8JX

Solicitors

Bell Park Kerridge

THE HENRY LONSDALE TRUST

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THE HENRY LONSDALE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The Trustees' Annual Report covers the activities of the CIO over the period of 12 months to the 31 March in each year marking the financial year end. The CIO has since 1991 operated two residential homes for the elderly; Rosehill and Barn Close. However, Barn Close was formally closed on 23 March 2022 and formally de-registered with effect from 24 March 2022. As from that date, the CIO has operated a single home for the elderly, Rosehill.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Object of the CIO

The object of the CIO is the relief of needy elderly people in one or more of the following ways

- by the provision and maintenance of a Home or Homes for elderly persons of limited means;
- by the provision of day and respite care centres for elderly persons of limited means;
- by the provision of financial assistance and other services for elderly persons of limited means who require those services or assistance by reason of their age and limitation of means.

The Aims of the CIO

The principal aim of the CIO has been to provide high quality, professional residential care at a Home for elderly persons of limited means at Rosehill, Carlisle. When it became actively operational (on 31 October, 2018) the CIO became responsible for the ongoing management of the Home and the Care Quality Commission ("CQC") license transferred to the CIO.

Access to the CIO's Home has been available to all elderly persons in respect of whom, following formal assessment, the CIO is satisfied that it can provide the appropriate level and type of care that the Home in question is registered to provide. Decisions as to admission to residence are made regardless of such matters such as personal background, faith or personal circumstances. Access to the facilities provided within the Home is similarly 'open to all'. Through those activities, the CIO seeks to care for such elderly persons and enhance the quality of the later stages of their lives. The care provided by the CIO is thus related to the particular needs of its beneficiaries and to the CIO's aims.

The CIO's aims are, therefore, capable of being charitable in that they fall within the descriptions of purposes in the Charities Act 2006: relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

The Trustees have had regard to the Charity Commission's guidance on public benefit and are satisfied that the principles of public benefit set out by the Charity Commission are met:

Principle 1: an identifiable benefit or benefits

The benefits are the provision of accommodation and care to elderly persons. The operation of a care home is a legitimate means of relieving the needs of the aged and/or infirm. Those benefits are related to the CIO's aims in that they arise as a direct result of the CIO pursuing its charitable aims. The care provided by the CIO is related to the particular needs of its beneficiaries and to the CIO's aim and all beneficiaries are assessed for care need before entering the CIO's Home.

There is no evidence of any (let alone significant) detrimental or harmful effects arising from the CIO carrying out its aims.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Principle 2: benefit must be to the public or a section of the public

The CIO's primary beneficiaries are the residents in its Home. They are "needy" and "elderly". The beneficial class is, therefore, clearly appropriate to the charitable aims of the CIO as there is an obvious connection between the aim and the residents who are in need of care. There is 40 residential placements available at Rosehill. Anyone who, by reference to the registration requirements of the respective Home, was eligible to become a resident will be considered for residence.

The CIO also provides support to beneficiaries who are not resident in the Home by way of grant funding, to support the activities of Age UK Carlisle and Eden (see 2.6 below).

The opportunity to benefit is not unreasonably restricted. Indeed, the only restriction derives from the object of the CIO, which is directed at people who are "needy" and "elderly".

Geographical restriction: There is no express geographical restriction in the stated objects of the CIO that is applied to the opportunity to benefit. In practice, for obvious reasons, most of the residents are people from Carlisle. The CIO does, however, accept into its Home residents from elsewhere in the Country. This typically arises where members of the resident's family are themselves resident in or around Carlisle.

Residents' needs: As mentioned above, residents are only admitted to the Home following an assessment of their needs so as to ensure that the particular Home can provide adequate care. The need for care of each beneficiary is assessed at the time of admission. The CIO does not provide access to residence for those in need of full medical or nursing care as it is not registered to provide such care.

Charges: While the CIO does charge fees, seeking contributions to fees for residential care is expressly provided for in its founding charitable Scheme. For many years the CIO adopted, as the fee that it would seek from all residents, the fee set from time to time by Cumbria County Council as the fee that it, as Social Services Authority, paid to the CIO in respect of those residents who were funded by that Council.

In the year ending 2016, the Trustees decided with some reluctance and following consultations with residents and their families, that as a result of continuing and increasing financial pressures on the sector, the weekly fee charged to privately-funded residents would be increased by a supplement over the fee paid by the County Council in respect of Social Services funded residents.

The Trustees resolved at their meeting on 1 March 2022, that the supplement top up fee payable by privately funded residents would be £150 per week with effect from 1 April 2022.

Local authority funding can be available to meet the full fees of prospective residents who are unable to pay from their own resources. There are therefore opportunities for which those who are unable to afford the charges sought by the CIO can benefit from the CIO's provision. As such, there is no restriction based on ability to pay.

Thus, taking into account what is reasonable and appropriate in the circumstances, the Trustees are satisfied that the CIO does provide sufficient opportunity to benefit in a material way for those who cannot afford the financial contributions that it seeks from its residents towards the provision of care and facilities as provided in its founding Charitable Scheme.

Taking together the above considerations, the Trustees are satisfied that the restrictions on people who have the opportunity to benefit are rational and justifiable and that the opportunity to benefit is not unreasonably restricted by geographical or other factors.

The CIO does not provide private benefits to people other than its beneficiaries.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The Objectives of the CIO

In setting the objectives for the CIO and planning its strategies and activities referred to in this Report, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The principal objectives of the CIO can be summarised as follows:

- provision of high quality, professional residential care;
- enhanced training for all staff;
- open and accessible management and dialogue with staff;
- introduction of appropriate staff policies and training;
- improvement, refurbishment and maintenance (planned and reactive) of its Home.

Strategies for achieving aims and objectives

The Strategies of the CIO

The CIO's strategies for achieving the above objectives include, for example, providing staff with such training as is necessary and appropriate both 'in-house' and through relevant external providers. The CIO's policy aim is to try to exceed the requirement of the Care Standards Act 2000 and the expectations of the Care Quality Commission ("CQC") by encouraging all care staff to achieve at least the Health Social Care Diploma Level 2. The CIO similarly aims normally to ensure that suitable training is provided for its administrative staff who are encouraged to pursue relevant courses of training. It is through a combination of the material environment and the training of staff that quality residential care is provided to the residents.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Significant Activities

The nature of the CIO is not such that it undertakes, in particular years, specific programmes or projects to achieve its objects and further its aims. Rather, the role and activities of the CIO are more ongoing in nature, reflecting the respective needs of the elderly persons for whom it provides care. The significance of the activities of the CIO, therefore, is that it continues to provide high quality care rather than that it undertakes any 'one-off' programmes or projects of particular importance during any particular year.

The Trustees do aim to continue to enhance the service on an ongoing basis.

Grant making policy

Grant-making Policy

The original object of the CIO was directed at the provision of a residential care home. That object was amended in 1992 to include the relief of needy elderly people by the provision of financial assistance.

In accordance with this amendment the Trustees agreed, in 2016, to make a grant to Age UK Carlisle and Eden to fund a Carlisle-based Information and Advice Officer, employed by that Charity, for a period of three years expiring on the 30 June 2019.

The Trustees then agreed to make a further grant to Age UK Carlisle and Eden in the order of £86,740 to continue the service for a further period of three years commencing on the 1 July 2019. This was renewed to the 30 June 2022, and has now been renewed again in similar terms to the 30 June 2025.

As that is the only grant made by the CIO, it does not have a formal grant-making policy. Instead, the Trustees maintain close scrutiny of the service provided by receiving regular reports of its activities.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

Significant activities and achievements against objectives

Charitable Activities: Performance against Objectives

(i) Formal assessment

As mentioned above, the key objective of the CIO is to provide high quality, professional residential care. The best measure of whether the performance of the CIO achieved that objective can be drawn from the reports of formal inspections undertaken from time to time at the Home by CQC, and from less formal ongoing liaison with the CQC. The Registered Manager has maintained good links with the CQC and Cumbria County Council (the Social Services Authority) and enjoyed positive feedback in the process.

The Trustees have a system of monthly rota visits to the Home resulting in each of the Trustees undertaking two visits to the Home during the year. This arrangement was restored during the year after it had been suspended during the previous years because of COVID 19. The Chair and Vice Chair of the Trustees remained in close contact with the Registered Manager during the Year offering their close support.

(ii) Informal assessment

Less formal measures of the extent to which the CIO's performance achieves its objectives can be drawn, first, from the fact that places within the Home have been much sought after either by potential residents themselves or their families and professional carers and, secondly, from the many letters of appreciation that are received.

Slightly more formally, the Manager would from time-to-time issue Quality Assurance Questionnaires to residents, relatives, visitors and representatives of relevant professional agencies. A good return of the questionnaires is normally achieved with the vast majority of responses being very positive and complimentary. Negative comments have rarely been made but any that are received are swiftly looked into and resolved.

Residential Care

(a) Central to the activities of the CIO was the wish to continue provision of a high quality Home for elderly people to the East (Rosehill) of Carlisle.

High quality care is of increasing importance given the increasing frailty of residents coming into residential care. This remains the standard aim for the provision of care at Rosehill going forward.

(b) The CIO continues to embrace the standards for care homes laid down by the Health and Social Care Acts 2008 and 2012 to the benefit of its residents, and complies with a standard contract with Cumbria County Council, which regulates residential care services provided by the CIO.

(c) The fabric of the Home is maintained in keeping with the high standards of care provided for the residents by the CIO and its employees. The Trustees keep this under regular review and approve funding for refurbishment of the Homes as and when a potential and/or actual need is identified.

(d) Improved and innovative activity programmes and measures to provide enjoyment and stimulation for residents and their carers at the Home have always received a high priority.

(e) The CIO has continued its policy (unlike many other residential care homes) of not charging residents for basic toiletries.

(f) Residents at the Home have continued to present as being increasingly frail thus needing extra support from staff. Unsurprisingly, this has led to an increased call on the time and expertise of staff to ensure that the requisite standards were maintained and this has been carefully and appropriately managed.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Staffing

(a) The CIO has a Registered Manager for the Care Home who acted in relation to day-to-day management issues affecting the CIO as a whole. They were answerable in relation to the budgets for the Home and had power to spend up to £5,000 on a single item or a combination of related items; albeit with spending monitored by the Chair.

(b) The maintenance of an effective administration system falls within the remit of the Senior Administrator under the supervision of the sole Registered Manager.

(c) The CIO considers training of staff to be an important priority. The CIO has previously set a target that all care staff (as opposed to the 50% referred to in the National Minimum Care Standards) should be trained to the Health and Social Care Diploma Level 2 (which replaced NVQ Level 2 in January 2011).

(d) Additionally, one Domestic Assistant has achieved the Level 1 qualification, and all Care Officers have achieved at least the former NVQ Level 3 award. The Trust requires all night staff to have or working towards at least a level 2 qualification in Health and Social Care, and in contrast to previously, neither Deputy Manager currently holds an NVQ level 4 although one of the deputy Managers is currently working towards her level 5 Residential Managers Award. All employed staff who do not have an NVQ2/Diploma level 2 are required to undertake the Care certificate, and are given the opportunity to gain an NVQ/Diploma in Health and Social Care. A policy of continuous staff improvement remains a high priority.

(e) More generally, ongoing mandatory and other training has been provided to staff in respect of, for example, first-aid, fire prevention and fire warden, challenging behaviour, dementia awareness, bereavement awareness, a CHESS (Care Home Effective Support Service) education programme, control of infection, nutrition and malnutrition, safeguarding vulnerable adults, safe handling and administration of medication, food hygiene, handling and lifting, end of life care, palliative care and equality and diversity. Additionally, the few staff who do not hold Health and Social Care Diploma complete the Care Certificate qualification. All in all, there is no member of the CIO's staff who has not participated in some form of training during the year. The practice of 'Train the Trainer' (whereby key staff attend external training and then roll out or 'cascade' what they have learned to other staff) has been particularly beneficial in that when staff who have been trained then provide training to other staff, money that would have been spent on an external training provider is saved and, importantly, the training is better suited to the staff as it is focused upon their working environment.

(f) The CIO has traditionally been considered to be a good employer, and its wage and salary structure has normally found it operating at above average for the industry. The Trustees paid staff a Christmas Bonus.

(g) The CIO has participated in the Care Apprentice Scheme to the mutual benefit of the CIO and the individuals concerned.

(h) The CIO had been looking to expand its in-house maintenance provision, the Trustees will be undertaking a comprehensive review of needs going forward. This is ongoing.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Finance and Administration

- (a) The CIO's expenditure is carefully monitored during the year.
- (b) Financial contributions from residents towards their care have been maintained in line with the policies of Cumbria County Council, although (as described above) the weekly supplement charged to privately-funded residents in excess of the amount paid by Cumbria County Council for Social Services residents was reviewed and further amended effective from 1 April 2022. In this regard, consideration is given at all times to the charitable status of the CIO and its objects.
- (c) The Trust's Financial Statements have continued to be professionally audited with nothing untoward being noted in respect of either income or expenditure. The Trust realised a surplus of £57,959 for the year ending 31 March 2025.
- (d) The Trustees have continued to attend to various matters pursuant to SORP 2019: for example, Risk Assessment, Investment Policy and Policy on Reserves.
- (e) The Trustees continue to review the investment strategy with guidance and information from their Investment Adviser. (See further details below).
- (f) In October 2017, the Trustees undertook a financial review of Trust priorities as a result of the growing discrepancy between the real costs of providing residential care and the fees charged. This differential resulted from a number of external factors; not the least of which was the more restricted contributions which the local authority felt constrained to make in relation to its nominated residents. This resulted in policy changes to the fee structure and the payment of a supplement by private fee paying residents.
- (g) The rate paid by local authorities for residents placed by them with third party residential care providers has become increasingly problematical, and increasingly divorced from the real cost of providing care.
- (h) The CIO is a charity and is not required to make a profit. Its duty is to fulfil the aims of the Trust making decisions which are designed to best achieve the aims of the Trust and meet the needs of the beneficiaries. The provision of residential care for the elderly in need is only one of the permitted purposes under the Trust. Going forward, the Trustees will keep under close review the question of how best to achieve the aims of the Trust to the maximum the benefit to the beneficiaries.
- (i) The Trustees keep under review the rates of pay payable to staff, and the terms and conditions employment, with the aim of being a good and fair employer within the sector.

Property & Premises

- (a) The Trustees have continued their stewardship of the CIO's buildings and estate through an ongoing programme of refurbishment and building maintenance.
- (b) The Trustees have continued to address a number of other property-related issues away from the main estate comprising, the Rosehill Home.
- (c) The Trustees entered into an Option Agreement in 2015 with a local housing developer to sell part of the CIO's investment land and took advice from specialised Chartered Surveyors to ensure the Trust's interests were maximised. This progressed more slowly than expected with the planning process still incomplete by the expiry of that option, and the developer renewed the option.

2021 saw a change in market conditions which allowed the developer to proceed with its plans and seek to agree a purchase of the land. The Trustees took professional advice for the purpose of the negotiations and at a specially convened meeting of the Trustees on 20 April 2021, the Trustees approved the terms for the sale of the land to the developer. The current target, subject to planning permissions etc. The Trustees receive regular reports on progress and completion is now expected in the financial year 2024/2025.

Significant factors

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

External Factors

There are a number of factors outside the CIO's control, which are relevant to the achievement of its objectives. These include relationships with employees, residents, their families, other carers and professionals, Cumbria County Council (as social services authority), social workers and other employees of that Council and the CIO's position in the wider community. It is pleasing to note that the relationships with all these individuals and organisations are good.

The CIO maintains close contact with the Care Quality Commission (CQC) from whom it receives very good and positive feedback, and which is always available for advice and support.

As mentioned above, a particular influence of the County Council is that it fixes the fees that it will pay towards the care and accommodation provided by the CIO to residents supported by that Council. The CIO is not in a position to influence the level of fee that is set by the County Council. This fee also impacts upon the contribution that is sought from all other privately funded residents towards the costs of their residence as it provides the base level to which is added the supplement payable by privately funded residents.

The concern remains that as the aged population increases, and the likely number of those needing residential care in the future also significantly increases, the gap between what the County Council is willing and/or able to pay, and the actual cost of providing care is likely to grow wider. This will require the Trustees to keep under careful review whether maintaining a residential care home remains the best and/or most cost effective way of meeting the aims of the Trust.

Investment performance

Investments: Performance against Objectives by the Trustees

The Trustees long standing objective for its investments has been to try to protect the value of the Trust's capital whilst aiming for some capital growth and a competitive income. The Trust had previously invested principally in two funds: CCLA and Premier Asset Management. The investments were largely a mix of different asset classes including shares which, understandably, resulted in occasional volatility from time to time. The need for astute financial management has become even more acute, firstly, because of the recent history of low interest rates, and secondly (and more up to date), because of the likely impact of COVID 19 and the impact on investments. The need for good advice is even more acute given the forecast that recession is possible in 2025.

Trustees have taken regular guidance from their investment adviser as and when cash is needed and/or when investments reach their maturity date. In 2018/2019, the advisor advised a change in the investment portfolio. He recommended investments in three funds, a Defensive Income Securities Fund, a Social Freehold Fund and a Commercial Freehold Fund, and the Trustees considered and accepted his advice in that respect.

In the course of 2019/2020, the adviser invested the funds with Time Investments in accordance with his recommendations and the Trustees approval. He provides regular reports on their performance to the Trustees at their quarterly meetings for their consideration and review.

Financial review

A detailed breakdown of the CIO's funds is contained in the Financial Statements with a narrative at notes 23-25.

Total funds of £4,633,290 were held at the year-end of which £1,271,621 can only be realised by disposing of tangible fixed assets. As Note 23 explains, within the unrestricted funds, the Trust had designated funds of £122,696 as at 31 March 2025. This was to make provision for and enable any future unforeseen emergency repairs. After accounting for the above, this leaves unallocated reserves which are available for use by the CIO totalling £4,510,594.

Unallocated reserves are available for use by the CIO totalling £4,510,594.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Reserves policy

The policy of the CIO is to attempt to maintain sufficient unallocated reserves representing approximately one year's total operating costs (which this year amounted to £2,190,343 (excluding depreciation)) on the basis of the time that might be necessary to reconstruct the residential Homes following a major incident and the costs relating thereto, particularly in connection with the temporary accommodation of residents.

The level of reserves is monitored and reviewed by the Trustees as necessary and at least once each year.

Principal funding sources

Principal Funding Sources

The CIO's principal source of funding was the contributions that were received from residents (or from local authorities on behalf of residents) towards the fees of providing them with accommodation and care. The whole of the CIO's expenditure in the year has supported the objectives of the CIO principally the key objective of providing high quality residential care. The greater part of the expenditure is directly related to the provision of such care (primarily staff wages and salaries) with lesser amounts (such as in relation to staff training, maintenance of the fabric of the Homes and management and administration of the CIO) being indirectly related to that objective. As already described above the CIO does make a grant award to Age UK Carlisle and Eden to support for non-residential beneficiaries.

During the current and prior year the CIO did not carry out any significant fundraising activities.

Investment policy

Investment Powers

The Scheme authorises the Trustees to make and hold investments using the general funds of the CIO. At 31 March 2025, investments were held within 4 separate funds with 2 investment companies. Under the terms of the Statement of Recommended Practice, Accounting by Charities, the investments were revalued and as at 31 March 2025 stood at a total market value of £2,068,328. This comprised listed investments at nil and other investments at £2,068,328.

Major risks

Indemnity Insurance

The CIO purchased trustee indemnity insurance as part of their main insurance policy, and therefore the trustees have been unable to determine the associated cost this year.

Policy Considerations

The Trustees are always mindful of their obligations as trustees to act in the best interests of the CIO and to meet the CIO's objectives. Trustees have been very alert to the increasing financial pressures in the sector and have stressed the importance of careful scrutiny of expenditure. In July 2017, the Trustees reiterated those aims by formally adopting the principle of looking at best value from the Trust's service providers, and that policy has continued to be implemented to date.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods

In looking to the future, it is necessary to put the future in the context of the recent past.

The history of the CIO shows that it acquired its second residential Care Home (Barn Close) in 1991 and that it increased the provision of residential care at its first Care Home (Rosehill). In the time that followed, the CIO continued a phase of consolidation and stability. Its fundamental aim was to pursue, on an ongoing basis, its principal activity of providing high-quality residential care. In due course, the CIO added to its activities the making of a grant to Age UK Carlisle and Eden to provide a counselling and advice service to the elderly.

The CIO has reverted to operating a single residential care home, Rosehill. In addition to this activity, the CIO continues to fund the work of Age UK Carlisle and Eden with a commitment to making grants for a further three year period to 2025. At the time of this Report, the recent experience of the Rosehill home has been that recruitment and retention of staff has improved.

The CIO is a charity and is not governed by the same profit motive. That having been said, the Charity has a constant duty to act in a way which best meets the needs of the Trust and its beneficiaries. The aim of the CIO is to continue to operate the Rosehill home as it has done since the inception of the Trust. The provision of residential care for the needy elderly is however only one of the permitted activities of the Trust. If the disconnect between local authority funding and the real cost of provision continues to grow, the CIO will need to review whether its purpose can be better and more cost effectively be met through any of the other permitted activities.

Structure, governance and management

The Governing Document and the Constitution of the CIO

The CIO is a charitable incorporated organisation and is governed by a constitution dated 10th August 2016. It was set up to take over from The Henry Lonsdale Charitable Trust (charity number 508840). The transfer of the assets from the predecessor charity to the CIO took place on 31st October 2018. The charitable purposes of the CIO are identical to those of the unincorporated charity. The Henry Lonsdale Charitable Trust was formally merged with the CIO on the 5 October 2020 and the predecessor Trust ceased to exist from that date.

The information in this Trustees' Report relates to the period from 1 April 2024 to the 31 March 2025, the fifth full year of operation of the CIO.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr J Mallinson
Ms J Leith
Mrs J Riddle (Vice Chair)
Mrs A McKerrrell
Mrs A Glendinning
Mr G Mitchel
Miss J Whalen

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Recruitment and appointment of trustees

Appointment of Trustees

There should be not less and not more than three appointed Trustees; and not less and not more than four Nominated Trustees. Cumbria County Council or any successor body which has responsibility for adult social care ("the appointing body") is entitled to appoint four Nominated Trustees, each appointment being for a term of three years.

Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees. In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

All newly appointed Trustees undertake induction and training as appropriate to their needs. This includes guided visits to the Home operated by the CIO and to its administrative headquarters to view the properties, meet the residents and staff and become familiar with the aims of the CIO and its ethos. Additionally, new Trustees are provided with a copy of the most recent Annual Report of the CIO and are sent copies of its policies and procedures relating both to residents and staff. When a Trustee's term of appointment expires, assuming he/she is willing to continue to act and remains eligible to do so, the Trustee is asked to confirm that there has been no change in his/her circumstances which would affect his/her ability to act as well as confirming that he/she is able to take up re-appointment from the relevant date.

A compliance file in respect of each Trustee is held at the Home. Enhanced Disclosure and Barring Service checks are obtained in respect of each Trustee.

On 9 March 2022, Cumbria County Council re-appointed the four existing Nominated Trustees for a further term of three years on expiry of their current terms in 2022. These appointments were confirmed by the Trustees of the CIO at their meeting on 7 June 2022. At the same meeting, the Trustees re-appointed two existing Appointed Trustees for further terms of three years on expiry of their current terms in 2022. The net effect is that the six re-appointed Trustees will hold office until dates in 2025. Under the current constitution of the CIO, this will be their final terms of office.

Following the change in the unitary authority from April 2023, Cumberland Council (successor to Cumbria County Council) replaced three of the four nominated trustees which had been formally appointed in the 7 June 2022 trustee meeting, ending their terms of office sooner than the planned term to 2025.

The Trustees of the CIO are actively considering succession planning to provide for a measured and planned transition to the Trustees who will follow.

Organisational structure

Organisational and Decision-Making Structure

The CIO's residential home was managed by a Registered Manager to whom operational decisions are devolved. Ultimate responsibility rests with the Trustees, who take all decisions, related to the policy and strategy of the CIO.

All matters requiring Trustee consideration and/or decision are brought to meetings of the Trustees. Trustees meet as and when required, but typically there is a quarterly meeting schedule.

Other matters

Risk Management

The major risks to which the CIO is exposed, as identified by the Trustees, have been subjected to detailed consideration. Systems and procedures have been established to mitigate those risks.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Mr J Mallinson
Trustee

Mrs J Riddle (Vice Chair)
Trustee

15 January 2026

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Opinion

We have audited the financial statements of The Henry Lonsdale Trust (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 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 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

In auditing the financial statements, we have concluded that the trustees' 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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees 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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 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 statement of trustees' responsibilities, 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. 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 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 144 of the Charities Act 2011 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.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Charity Commission and the charity's legal advisors.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saint & Co.

Chartered Accountants & Statutory Auditor
Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA
21 January 2026

Saint & Co. is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HENRY LONSDALE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds general 2025 £	Unrestricted funds Designated 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Unrestricted funds Designated 2024 £	Total 2024 £
Notes							
Income and endowments from:							
Donations and legacies	3	-	-	-	8,230	-	8,230
Charitable activities	4	2,127,115	-	2,127,115	1,967,465	-	1,967,465
Investments	5	51,436	-	51,436	36,783	-	36,783
Other income	6	58,459	-	58,459	55,267	-	55,267
Total income		<u>2,237,010</u>	<u>-</u>	<u>2,237,010</u>	<u>2,067,745</u>	<u>-</u>	<u>2,067,745</u>
Expenditure on:							
Charitable activities	7	2,274,413	-	2,274,413	2,125,136	-	2,125,136
Other expenditure	13	385	-	385	2,855	-	2,855
Total expenditure		<u>2,274,798</u>	<u>-</u>	<u>2,274,798</u>	<u>2,127,991</u>	<u>-</u>	<u>2,127,991</u>
Net gains/(losses) on investments	14	<u>98,234</u>	<u>(2,487)</u>	<u>95,747</u>	<u>1,683,252</u>	<u>13,584</u>	<u>1,696,836</u>
Net income/(expenditure) and movement in funds		60,446	(2,487)	57,959	1,623,006	13,584	1,636,590
Reconciliation of funds:							
Fund balances at 1 April 2024		<u>4,450,148</u>	<u>125,183</u>	<u>4,575,331</u>	<u>2,827,142</u>	<u>111,599</u>	<u>2,938,741</u>
Fund balances at 31 March 2025		<u>4,510,594</u>	<u>122,696</u>	<u>4,633,290</u>	<u>4,450,148</u>	<u>125,183</u>	<u>4,575,331</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 19 to 32 form part of these financial statements.

THE HENRY LONSDALE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	16		1,271,621		1,344,288
Investment property	17		1,150,000		2,950,000
Investments	18		2,068,328		409,564
			<u>4,489,949</u>		<u>4,703,852</u>
Current assets					
Debtors	19	74,041		54,553	
Cash at bank and in hand		369,780		239,092	
		<u>443,821</u>		<u>293,645</u>	
Creditors: amounts falling due within one year	20	(300,480)		(422,166)	
Net current assets/(liabilities)			<u>143,341</u>		<u>(128,521)</u>
Total assets less current liabilities			<u>4,633,290</u>		<u>4,575,331</u>
Net assets excluding pension liability			<u>4,633,290</u>		<u>4,575,331</u>
			<u><u>4,633,290</u></u>		<u><u>4,575,331</u></u>
The funds of the charity					
Unrestricted funds - General			4,510,594		4,450,148
Unrestricted funds - Designated	23		122,696		125,183
			<u>4,633,290</u>		<u>4,575,331</u>
			<u><u>4,633,290</u></u>		<u><u>4,575,331</u></u>

The notes on pages 19 to 32 form part of these financial statements.

The financial statements were approved by the trustees on 15 January 2026

Mr J Mallinson
Trustee

Mrs J Riddle (Vice Chair)
Trustee

THE HENRY LONSDALE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(145,941)		52,390
Investing activities					
Purchase of tangible fixed assets		(12,354)		(13,333)	
Proceeds from disposal of tangible fixed assets		565		-	
Proceeds from disposal of investment property		1,973,939		-	
Purchase of other investments		(2,000,000)		-	
Proceeds from disposal of other investments		263,043		25,000	
Investment income received		51,436		36,783	
Net cash generated from investing activities			276,629		48,450
Net cash generated from financing activities			-		-
Net increase in cash and cash equivalents			130,688		100,840
Cash and cash equivalents at beginning of year			239,092		138,252
Cash and cash equivalents at end of year			369,780		239,092

The notes on pages 19 to 32 form part of these financial statements.

THE HENRY LONSDALE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Rosehill Residential Home, Aglionby, Carlisle, Cumbria, CA4 8AA.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The trustees have discretion to allocate funds to particular resources as they so wish. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds, of which there were none, are those resources where the income and related expenditure are not available for general use, but are to be used in accordance with the specific wishes of the donor or which have been raised by the charity for a particular purpose.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

The following specific policies are applied to particular categories of income:

- Income from Social Services Department of Cumbria County Council, relating to the residents fees, is accounted for on an accruals basis.
- Income from private residents is accounted for on an accruals basis.
- Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over 50 years
Fixtures and fittings	15% reducing balance
Equipment (Energy Generating)	Over 20 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies (Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

- The trustees have estimated the useful economic lives of the categories of assets.
- The trustees have estimated the fair value of investment land and property, further details are included in note 17 to the accounts.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	-	8,230

In 2024, Donations and gifts related to fundraiser collection for purchase of a minibus.

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable activities		
Private paying residential income	817,256	877,600
Social Services residential income	1,309,859	1,089,865
	<u>2,127,115</u>	<u>1,967,465</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	18,754	19,129
Other income	32,682	17,654
	<u>51,436</u>	<u>36,783</u>

6 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Energy Generation Income	<u>58,459</u>	<u>55,267</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7 Expenditure on charitable activities

	Total 2025 £	Total 2024 £
Direct costs		
Staff costs	1,550,288	1,453,186
Depreciation and impairment	84,070	85,414
Food & Medical supplies	108,747	96,507
Other employee benefits	1,330	1,200
Home running costs	203,724	197,674
Home maintenance costs	106,257	70,359
Registration Fees	5,779	5,779
Staff training	2,305	5,730
	<u>2,062,500</u>	<u>1,915,849</u>
 Grant funding of activities (see note 8)	 30,158	 30,158
 Share of support and governance costs (see note 9)		
Support	129,413	147,402
Governance	52,342	31,727
	<u>2,274,413</u>	<u>2,125,136</u>
 Analysis by fund		
Unrestricted funds - general	<u>2,274,413</u>	<u>2,125,136</u>

8 Grants payable

	2025 £	2024 £
Grants to institutions:		
Age UK Carlisle and Eden	<u>30,158</u>	<u>30,158</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs allocated to activities

	Total 2025 £	Total 2024 £
Staff costs	110,345	130,243
Accountancy	8,150	6,552
Other office costs	4,476	4,070
Bank charges	1,057	916
Insurance	2,383	3,001
Sundry expenses	2,831	2,427
Travel expenses	170	193
Governance	52,343	31,727
	<u>181,755</u>	<u>179,129</u>

	2025 £	2024 £
Governance costs comprise:		
Staff costs	4,884	5,224
Audit fees	6,650	6,300
Accountancy	11,448	6,913
Legal and professional	29,361	13,290
	<u>52,343</u>	<u>31,727</u>

10 Net movement in funds

	2025 £	2024 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the charity's auditor for the audit of the charity's financial statements	6,650	6,300
Depreciation of owned tangible fixed assets	84,070	85,414
Loss on disposal of tangible fixed assets	385	2,855
Profit on disposal of investment property	(173,939)	-
Operating lease charges	24,904	25,398
	<u></u>	<u></u>

11 Trustees

None of the trustees were entitled to or received any remuneration during the year. During the year, no trustees were reimbursed for travelling expenses. Trustees indemnity insurance was purchased by the Trust.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Care, Domestic & Admin staff	78	74
Management Staff	1	2
Total	79	76

Employment costs	2025 £	2024 £
Wages and salaries	1,531,115	1,459,390
Social security costs	105,453	100,383
Other pension costs	28,949	28,880
	1,665,517	1,588,653

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	65,828	58,067

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity.

13 Other expenditure

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net loss on disposal of tangible fixed assets	385	2,855

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Gains and losses on investments

	Unrestricted funds general 2025 £	Unrestricted funds Designated 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Unrestricted funds Designated 2024 £	Total 2024 £
Gains/(losses) arising on:						
Revaluation of investments	(54,366)	(2,487)	(56,853)	(16,622)	13,584	(3,038)
Sale of investments	(21,339)	-	(21,339)	(126)	-	(126)
Revaluation of investment properties	-	-	-	1,700,000	-	1,700,000
Sale of investment properties	173,939	-	173,939	-	-	-
	<u>98,234</u>	<u>(2,487)</u>	<u>95,747</u>	<u>1,683,252</u>	<u>13,584</u>	<u>1,696,836</u>

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Equipment (Energy Generating) £	Total £
Cost				
At 1 April 2024	885,766	211,225	666,505	1,763,496
Additions	-	12,354	-	12,354
Disposals	-	(1,660)	-	(1,660)
At 31 March 2025	<u>885,766</u>	<u>221,919</u>	<u>666,505</u>	<u>1,774,190</u>
Depreciation and impairment				
At 1 April 2024	152,807	96,595	169,807	419,209
Depreciation charged in the year	28,210	17,994	37,866	84,070
Eliminated in respect of disposals	-	(710)	-	(710)
At 31 March 2025	<u>181,017</u>	<u>113,879</u>	<u>207,673</u>	<u>502,569</u>
Carrying amount				
At 31 March 2025	<u>704,749</u>	<u>108,040</u>	<u>458,832</u>	<u>1,271,621</u>
At 31 March 2024	<u>732,960</u>	<u>114,630</u>	<u>496,698</u>	<u>1,344,288</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Investment property

	£
Fair value	
At 1 April 2024	2,950,000
Disposals	(1,800,000)
At 31 March 2025	1,150,000

The trustees have considered the valuation of the land and buildings surrounding, but not occupied by, the Rosehill Residential Home, with advice from their land agents. The trustees have estimated the fair value of investment land and buildings at year end is estimated to be in the region of £1,150,000. This valuation is based on an estimated price per acre for Agricultural land and an expected yield basis for the rented property.

	2025 £	2024 £
Freehold	1,150,000	2,950,000

18 Fixed asset investments

	Listed investments £
Valuation	
At 1 April 2024	409,564
Additions	2,000,000
Valuation changes	(56,854)
Disposals	(284,382)
At 31 March 2025	2,068,328
Carrying amount	
At 31 March 2025	2,068,328
At 31 March 2024	409,564

All investments shown above are held at valuation.

Fixed asset investments revalued

All investments have been valued at fair value being their market value at the Balance Sheet date.

The historic cost of the investments is £2,005,153 (2024: £346,832)

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	29,280	9,394
Prepayments and accrued income	44,761	45,159
	<u>74,041</u>	<u>54,553</u>

20 Creditors: amounts falling due within one year

	Notes	2025	2024
		£	£
Other taxation and social security		18,481	20,566
Deferred income	21	58,859	213,611
Trade creditors		70,112	30,524
Other creditors		2,081	7,778
Accruals		150,947	149,687
		<u>300,480</u>	<u>422,166</u>

21 Deferred income

	2025	2024
	£	£
Other deferred income	58,859	213,611
	<u>58,859</u>	<u>213,611</u>

Deferred income includes fee and rental income relating to the following year but received in advance (2024: Deferred income also included a land option fee for the sale of a parcel of land which completed in 2024/25).

	2025	2024
	£	£
Deferred income is included within:		
Current liabilities	58,859	213,611
	<u>58,859</u>	<u>213,611</u>
Movements in the year:		
Deferred income at 1 April 2024	213,611	189,366
Released from previous periods	(213,611)	(59,366)
Resources deferred in the year	58,859	83,611
	<u>58,859</u>	<u>83,611</u>
Deferred income at 31 March 2025	58,859	213,611
	<u>58,859</u>	<u>213,611</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

22 Retirement benefit schemes

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	28,949	28,880

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

23 Unrestricted funds - Designated

These are unrestricted funds which are material to the charity's activities.

The trust has designated funds to enable future, unforeseen, emergency repairs. These funds have been invested with CCLA. These funds are unrestricted and amounted to £122,696 (2024: £125,183) at the balance sheet date.

	At 1 April 2024	Gains and losses	At 31 March 2025
	£	£	£
	125,183	(2,487)	122,696
Previous year:	At 1 April 2023	Gains and losses	At 31 March 2024
	£	£	£
Designated Funds	111,599	13,584	125,183

24 Unrestricted funds - General

	At 1 April 2024	Incoming resources	Resources expended	Gains and losses	At 31 March 2025
	£	£	£	£	£
General funds	4,450,148	2,237,010	(2,274,798)	98,234	4,510,594
Previous year:	At 1 April 2023	Incoming resources	Resources expended	Gains and losses	At 31 March 2024
	£	£	£	£	£
General funds	2,827,142	2,067,745	(2,127,991)	1,683,252	4,450,148

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

25 Analysis of net assets between funds

	Unrestricted funds 2025 £	Designated funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Designated funds 2024 £	Total 2024 £
Fund balances at 31 March 2025 are represented by:						
Tangible assets	1,271,621	-	1,271,621	1,344,288	-	1,344,288
Investment properties	1,150,000	-	1,150,000	2,950,000	-	2,950,000
Investments	2,068,328	-	2,068,328	409,564	-	409,564
Current assets/(liabilities)	143,341	-	143,341	(128,521)	-	(128,521)
	<u>4,633,290</u>	<u>-</u>	<u>4,633,290</u>	<u>4,575,331</u>	<u>-</u>	<u>4,575,331</u>

26 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	25,559	24,776
Between two and five years	93,522	92,214
In over five years	1,735	22,531
	<u>120,816</u>	<u>139,521</u>

27 Other financial commitments

The trust has entered into a 3 year agreement with Age UK Carlisle and Eden for them to provide information and advice to residents in Carlisle. This runs until June 2028. Expected expenditure due within 1 year is £32,501, and due within 2-5 years is £79,354.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

28 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

29 Cash (absorbed by)/generated from operations	2025 £	2024 £
Surplus for the year	57,959	1,636,590
Adjustments for:		
Investment income recognised in statement of financial activities	(51,436)	(36,783)
Loss on disposal of tangible fixed assets	385	2,855
Gain on disposal of investment property	(173,939)	-
Loss on disposal of investments	21,339	126
Fair value gains and losses on investment properties	-	(1,700,000)
Fair value gains and losses on investments	56,853	3,038
Depreciation and impairment of tangible fixed assets	84,070	85,414
Movements in working capital:		
(Increase) in debtors	(19,488)	(11,187)
Increase in creditors	33,068	48,092
(Decrease)/increase in deferred income	(154,752)	24,245
Cash (absorbed by)/generated from operations	(145,941)	52,390

30 Analysis of changes in net funds

The charity had no material debt during the year.

THE HENRY LONSDALE TRUST

England & Wales - Charity number 1168707

Accounts

THE HENRY LONSDALE TRUST

Annual Report and Audited Financial Statements for the year ended 31 March 2024

Company Registration Number: 1168707

THE HENRY LONSDALE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J Mallinson
Ms J Leith
Mrs J Riddle (Vice Chair)
Mrs A McKerrrell
Mrs A Glendinning (Appointed 6 June 2023)
Mr G Mitchel (Appointed 6 June 2023)
Miss J Whalen (Appointed 6 June 2023)

Charity number

1168707

Principal address

Rosehill Residential Home
Rosehill
Aglionby
Carlisle
Cumbria

CA4 8AA

Auditor

Saint & Co.
Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA

Bankers

HSBC Plc
English Street
Carlisle
Cumbria
CA3 8JX

Solicitors

Burnetts Solicitors
C/o Burnetts
Victoria House
Wavell Drive, Rosehill Industrial Estate
Carlisle
Cumbria
CA1 2ST

THE HENRY LONSDALE TRUST

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THE HENRY LONSDALE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The Trustees' Annual Report covers the activities of the CIO over the period of 12 months to the 31 March in each year marking the financial year end. The CIO has since 1991 operated two residential homes for the elderly; Rosehill and Barn Close. However, Barn Close was formally closed on 23 March 2022 and formally de-registered with effect from 24 March 2022. As from that date, the CIO has operated a single home for the elderly, Rosehill.

The financial statements have been prepared in accordance with the accounting policies set out in note to the financial statements and comply with the charity's governing constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Object of the CIO

The object of the CIO is the relief of needy elderly people in one or more of the following ways

- by the provision and maintenance of a Home or Homes for elderly persons of limited means;
- by the provision of day and respite care centres for elderly persons of limited means;
- by the provision of financial assistance and other services for elderly persons of limited means who require those services or assistance by reason of their age and limitation of means.

The Aims of the CIO

The principal aim of the CIO has been to provide high quality, professional residential care at a Home for elderly persons of limited means at Rosehill, Carlisle. When it became actively operational (on 31 October, 2018) the CIO became responsible for the ongoing management of the Home and the Care Quality Commission ("CQC") license transferred to the CIO.

Access to the CIO's Home has been available to all elderly persons in respect of whom, following formal assessment, the CIO is satisfied that it can provide the appropriate level and type of care that the Home in question is registered to provide. Decisions as to admission to residence are made regardless of such matters such as personal background, faith or personal circumstances. Access to the facilities provided within the Home is similarly 'open to all'. Through those activities, the CIO seeks to care for such elderly persons and enhance the quality of the later stages of their lives. The care provided by the CIO is thus related to the particular needs of its beneficiaries and to the CIO's aims.

The CIO's aims are, therefore, capable of being charitable in that they fall within the descriptions of purposes in the Charities Act 2006: relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

The Trustees have had regard to the Charity Commission's guidance on public benefit and are satisfied that the principles of public benefit set out by the Charity Commission are met:

Principle 1: an identifiable benefit or benefits

The benefits are the provision of accommodation and care to elderly persons. The operation of a care home is a legitimate means of relieving the needs of the aged and/or infirm. Those benefits are related to the CIO's aims in that they arise as a direct result of the CIO pursuing its charitable aims. The care provided by the CIO is related to the particular needs of its beneficiaries and to the CIO's aim and all beneficiaries are assessed for care need before entering the CIO's Home.

There is no evidence of any (let alone significant) detrimental or harmful effects arising from the CIO carrying out its aims.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Principle 2: benefit must be to the public or a section of the public

The CIO's primary beneficiaries are the residents in its Home. They are "needy" and "elderly". The beneficial class is, therefore, clearly appropriate to the charitable aims of the CIO as there is an obvious connection between the aim and the residents who are in need of care. There is 40 residential placements available at Rosehill. Anyone who, by reference to the registration requirements of the respective Home, was eligible to become a resident will be considered for residence.

The CIO also provides support to beneficiaries who are not resident in the Home by way of grant funding, to support the activities of Age UK Carlisle and Eden (see 2.6 below).

The opportunity to benefit is not unreasonably restricted. Indeed, the only restriction derives from the object of the CIO, which is directed at people who are "needy" and "elderly".

Geographical restriction: There is no express geographical restriction in the stated objects of the CIO that is applied to the opportunity to benefit. In practice, for obvious reasons, most of the residents are people from Carlisle. The CIO does, however, accept into its Home residents from elsewhere in the Country. This typically arises where members of the resident's family are themselves resident in or around Carlisle.

Residents' needs: As mentioned above, residents are only admitted to the Home following an assessment of their needs so as to ensure that the particular Home can provide adequate care. The need for care of each beneficiary is assessed at the time of admission. The CIO does not provide access to residence for those in need of full medical or nursing care as it is not registered to provide such care.

Charges: While the CIO does charge fees, seeking contributions to fees for residential care is expressly provided for in its founding charitable Scheme. For many years the CIO adopted, as the fee that it would seek from all residents, the fee set from time to time by Cumbria County Council as the fee that it, as Social Services Authority, paid to the CIO in respect of those residents who were funded by that Council.

In the year ending 2016, the Trustees decided with some reluctance and following consultations with residents and their families, that as a result of continuing and increasing financial pressures on the sector, the weekly fee charged to privately-funded residents would be increased by a supplement over the fee paid by the County Council in respect of Social Services funded residents.

The Trustees resolved at their meeting on 1 March 2022, that the supplement top up fee payable by privately funded residents would be £150 per week with effect from 1 April 2022.

Local authority funding can be available to meet the full fees of prospective residents who are unable to pay from their own resources. There are therefore opportunities for which those who are unable to afford the charges sought by the CIO can benefit from the CIO's provision. As such, there is no restriction based on ability to pay.

Thus, taking into account what is reasonable and appropriate in the circumstances, the Trustees are satisfied that the CIO does provide sufficient opportunity to benefit in a material way for those who cannot afford the financial contributions that it seeks from its residents towards the provision of care and facilities as provided in its founding Charitable Scheme.

Taking together the above considerations, the Trustees are satisfied that the restrictions on people who have the opportunity to benefit are rational and justifiable and that the opportunity to benefit is not unreasonably restricted by geographical or other factors.

The CIO does not provide private benefits to people other than its beneficiaries.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Objectives of the CIO

In setting the objectives for the CIO and planning its strategies and activities referred to in this Report, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The principal objectives of the CIO can be summarised as follows:

- provision of high quality, professional residential care;
- enhanced training for all staff;
- open and accessible management and dialogue with staff;
- introduction of appropriate staff policies and training;
- improvement, refurbishment and maintenance (planned and reactive) of its Home.

Strategies for achieving aims and objectives

The Strategies of the CIO

The CIO's strategies for achieving the above objectives include, for example, providing staff with such training as is necessary and appropriate both 'in-house' and through relevant external providers. The CIO's policy aim is to try to exceed the requirement of the Care Standards Act 2000 and the expectations of the Care Quality Commission ("CQC") by encouraging all care staff to achieve at least the Health Social Care Diploma Level 2. The CIO similarly aims normally to ensure that suitable training is provided for its administrative staff who are encouraged to pursue relevant courses of training. It is through a combination of the material environment and the training of staff that quality residential care is provided to the residents.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Significant Activities

The nature of the CIO is not such that it undertakes, in particular years, specific programmes or projects to achieve its objects and further its aims. Rather, the role and activities of the CIO are more ongoing in nature, reflecting the respective needs of the elderly persons for whom it provides care. The significance of the activities of the CIO, therefore, is that it continues to provide high quality care rather than that it undertakes any 'one-off' programmes or projects of particular importance during any particular year.

The Trustees do aim to continue to enhance the service on an ongoing basis.

Grant making policy

Grant-making Policy

The original object of the CIO was directed at the provision of a residential care home. That object was amended in 1992 to include the relief of needy elderly people by the provision of financial assistance.

In accordance with this amendment the Trustees agreed, in 2016, to make a grant to Age UK Carlisle and Eden to fund a Carlisle-based Information and Advice Officer, employed by that Charity, for a period of three years expiring on the 30 June 2019.

The Trustees then agreed to make a further grant to Age UK Carlisle and Eden in the order of £86,740 to continue the service for a further period of three years commencing on the 1 July 2019. This was renewed to the 30 June 2022, and has now been renewed again in similar terms to the 30 June 2025.

As that is the only grant made by the CIO, it does not have a formal grant-making policy. Instead, the Trustees maintain close scrutiny of the service provided by receiving regular reports of its activities.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

Significant activities and achievements against objectives

Charitable Activities: Performance against Objectives

(i) Formal assessment

As mentioned above, the key objective of the CIO is to provide high quality, professional residential care. The best measure of whether the performance of the CIO achieved that objective can be drawn from the reports of formal inspections undertaken from time to time at the Home by CQC, and from less formal ongoing liaison with the CQC. The Registered Manager has maintained good links with the CQC and Cumbria County Council (the Social Services Authority) and enjoyed positive feedback in the process.

The Trustees have a system of monthly rota visits to the Home resulting in each of the Trustees undertaking two visits to the Home during the year. This arrangement was restored during the year after it had been suspended during the previous years because of COVID 19. The Chair and Vice Chair of the Trustees remained in close contact with the Registered Manager during the Year offering their close support.

(ii) Informal assessment

Less formal measures of the extent to which the CIO's performance achieves its objectives can be drawn, first, from the fact that places within the Home have been much sought after either by potential residents themselves or their families and professional carers and, secondly, from the many letters of appreciation that are received.

Slightly more formally, the Manager would from time-to-time issue Quality Assurance Questionnaires to residents, relatives, visitors and representatives of relevant professional agencies. A good return of the questionnaires is normally achieved with the vast majority of responses being very positive and complimentary. Negative comments have rarely been made but any that are received are swiftly looked into and resolved.

Residential Care

(a) Central to the activities of the CIO was the wish to continue provision of a high quality Home for elderly people to the East (Rosehill) of Carlisle.

High quality care is of increasing importance given the increasing frailty of residents coming into residential care. This remains the standard aim for the provision of care at Rosehill going forward.

(b) The CIO continues to embrace the standards for care homes laid down by the Health and Social Care Acts 2008 and 2012 to the benefit of its residents, and complies with a standard contract with Cumbria County Council, which regulates residential care services provided by the CIO.

(c) The fabric of the Home is maintained in keeping with the high standards of care provided for the residents by the CIO and its employees. The Trustees keep this under regular review and approve funding for refurbishment of the Homes as and when a potential and/or actual need is identified.

(d) Improved and innovative activity programmes and measures to provide enjoyment and stimulation for residents and their carers at the Home have always received a high priority.

(e) The CIO has continued its policy (unlike many other residential care homes) of not charging residents for basic toiletries.

(f) Residents at the Home have continued to present as being increasingly frail thus needing extra support from staff. Unsurprisingly, this has led to an increased call on the time and expertise of staff to ensure that the requisite standards were maintained and this has been carefully and appropriately managed.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Staffing

(a) The CIO has a Registered Manager for the Care Home who acted in relation to day-to-day management issues affecting the CIO as a whole. They were answerable in relation to the budgets for the Home and had power to spend up to £5,000 on a single item or a combination of related items; albeit with spending monitored by the Chair.

(b) The maintenance of an effective administration system falls within the remit of the Senior Administrator under the supervision of the sole Registered Manager.

(c) The CIO considers training of staff to be an important priority. The CIO has previously set a target that all care staff (as opposed to the 50% referred to in the National Minimum Care Standards) should be trained to the Health and Social Care Diploma Level 2 (which replaced NVQ Level 2 in January 2011).

(d) Additionally, one Domestic Assistant has achieved the Level 1 qualification, and all Care Officers have achieved at least the former NVQ Level 3 award. Due to recruitment difficulties, the Trust has relaxed its requirement that all newly appointed night care staff should already hold the Level 2 qualification, and in contrast to previously, neither Deputy Manager currently holds an NVQ level 4 or Residential Manager's Award. All employed staff who do not have an NVQ2/Diploma level 2 are required to undertake the Care certificate, and are given the opportunity to gain an NVQ/Diploma in Health and Social Care. A policy of continuous staff improvement remains a high priority.

(e) More generally, ongoing mandatory and other training has been provided to staff in respect of, for example, first-aid, fire prevention and fire warden, challenging behaviour, dementia awareness, bereavement awareness, a CHESS (Care Home Effective Support Service) education programme, control of infection, nutrition and malnutrition, safeguarding vulnerable adults, safe handling and administration of medication, food hygiene, handling and lifting, end of life care, palliative care and equality and diversity. Additionally, the few staff who do not hold Health and Social Care Diploma complete the Care Certificate qualification. All in all, there is no member of the CIO's staff who has not participated in some form of training during the year. The practice of 'Train the Trainer' (whereby key staff attend external training and then roll out or 'cascade' what they have learned to other staff) has been particularly beneficial in that when staff who have been trained then provide training to other staff, money that would have been spent on an external training provider is saved and, importantly, the training is better suited to the staff as it is focused upon their working environment.

(f) The CIO has traditionally been considered to be a good employer, and its wage and salary structure has normally found it operating at above average for the industry. The Trustees paid staff a Christmas Bonus.

(g) The CIO has participated in the Care Apprentice Scheme to the mutual benefit of the CIO and the individuals concerned.

(h) The CIO had been looking to expand its in-house maintenance provision, the Trustees will be undertaking a comprehensive review of needs going forward. This is ongoing.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Finance and Administration

- (a) The CIO's expenditure is carefully monitored during the year.
- (b) Financial contributions from residents towards their care have been maintained in line with the policies of Cumbria County Council, although (as described above) the weekly supplement charged to privately-funded residents in excess of the amount paid by Cumbria County Council for Social Services residents was reviewed and further amended effective from 1 April 2022. In this regard, consideration is given at all times to the charitable status of the CIO and its objects.
- (c) The Trust's Financial Statements have continued to be professionally audited with nothing untoward being noted in respect of either income or expenditure. The Trust made a surplus of £1,636,590 for the year ending 31 March 2024.
- (d) The Trustees have continued to attend to various matters pursuant to SORP 2019: for example, Risk Assessment, Investment Policy and Policy on Reserves.
- (e) The Trustees continue to review the investment strategy with guidance and information from their Investment Adviser. (See further details below).
- (f) In October 2017, the Trustees undertook a financial review of Trust priorities as a result of the growing discrepancy between the real costs of providing residential care and the fees charged. This differential resulted from a number of external factors; not the least of which was the more restricted contributions which the local authority felt constrained to make in relation to its nominated residents. This resulted in policy changes to the fee structure and the payment of a supplement by private fee paying residents.
- (g) The rate paid by local authorities for residents placed by them with third party residential care providers has become increasingly problematical, and increasingly divorced from the real cost of providing care.
- (h) The CIO is a charity and is not required to make a profit. Its duty is to fulfil the aims of the Trust making decisions which are designed to best achieve the aims of the Trust and meet the needs of the beneficiaries. The provision of residential care for the elderly in need is only one of the permitted purposes under the Trust. Going forward, the Trustees will keep under close review the question of how best to achieve the aims of the Trust to the maximum the benefit to the beneficiaries.
- (i) The Trustees keep under review the rates of pay payable to staff, and the terms and conditions employment, with the aim of being a good and fair employer within the sector.

Property & Premises

- (a) The Trustees have continued their stewardship of the CIO's buildings and estate through an ongoing programme of refurbishment and building maintenance.
- (b) The Trustees have continued to address a number of other property-related issues away from the main estate comprising, the Rosehill Home.
- (c) The Trustees entered into an Option Agreement in 2015 with a local housing developer to sell part of the CIO's investment land and took advice from specialised Chartered Surveyors to ensure the Trust's interests were maximised. This progressed more slowly than expected with the planning process still incomplete by the expiry of that option, and the developer renewed the option.

2021 saw a change in market conditions which allowed the developer to proceed with its plans and seek to agree a purchase of the land. The Trustees took professional advice for the purpose of the negotiations and at a specially convened meeting of the Trustees on 20 April 2021, the Trustees approved the terms for the sale of the land to the developer. The current target, subject to planning permissions etc. The Trustees receive regular reports on progress and completion is now expected in the financial year 2024/2025.

Significant factors

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

External Factors

There are a number of factors outside the CIO's control, which are relevant to the achievement of its objectives. These include relationships with employees, residents, their families, other carers and professionals, Cumbria County Council (as social services authority), social workers and other employees of that Council and the CIO's position in the wider community. It is pleasing to note that the relationships with all these individuals and organisations are good.

The CIO maintains close contact with the Care Quality Commission (CQC) from whom it receives very good and positive feedback, and which is always available for advice and support.

As mentioned above, a particular influence of the County Council is that it fixes the fees that it will pay towards the care and accommodation provided by the CIO to residents supported by that Council. The CIO is not in a position to influence the level of fee that is set by the County Council. This fee also impacts upon the contribution that is sought from all other privately funded residents towards the costs of their residence as it provides the base level to which is added the supplement payable by privately funded residents.

The concern remains that as the aged population increases, and the likely number of those needing residential care in the future also significantly increases, the gap between what the County Council is willing and/or able to pay, and the actual cost of providing care is likely to grow wider. This will require the Trustees to keep under careful review whether maintaining a residential care home remains the best and/or most cost effective way of meeting the aims of the Trust.

Investment performance

Investments: Performance against Objectives by the Trustees

The Trustees long standing objective for its investments has been to try to protect the value of the Trust's capital whilst aiming for some capital growth and a competitive income. The Trust had previously invested principally in two funds: CCLA and Premier Asset Management. The investments were largely a mix of different asset classes including shares which, understandably, resulted in occasional volatility from time to time. The need for astute financial management has become even more acute, firstly, because of the recent history of low interest rates, and secondly (and more up to date), because of the likely impact of COVID 19 and the impact on investments. The need for good advice is even more acute given the forecast that recession is possible in 2025.

Trustees have taken regular guidance from their investment adviser as and when cash is needed and/or when investments reach their maturity date. In 2018/2019, the advisor advised a change in the investment portfolio. He recommended investments in three funds, a Defensive Income Securities Fund, a Social Freehold Fund and a Commercial Freehold Fund, and the Trustees considered and accepted his advice in that respect.

In the course of 2019/2020, the adviser invested the funds with Time Investments in accordance with his recommendations and the Trustees approval. He provides regular reports on their performance to the Trustees at their quarterly meetings for their consideration and review.

Financial review

A detailed breakdown of the CIO's funds is contained in the Financial Statements with a narrative at notes 23-25.

Total funds of £4,575,331 were held at the year-end of which £1,344,288 can only be realised by disposing of tangible fixed assets. As Note 23 explains, within the unrestricted funds, the Trust had designated funds of £125,183 as at 31 March 2024. This was to make provision for and enable any future unforeseen emergency repairs. After accounting for the above, this leaves unallocated reserves which are available for use by the CIO totalling £3,105,860.

Unallocated reserves are available for use by the CIO totalling £3,105,860.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Reserves policy

The policy of the CIO is to attempt to maintain sufficient unallocated reserves representing approximately one year's total operating costs (which this year amounted to £2,039,722 (excluding depreciation)) on the basis of the time that might be necessary to reconstruct the residential Homes following a major incident and the costs relating thereto, particularly in connection with the temporary accommodation of residents.

The level of reserves is monitored and reviewed by the Trustees as necessary and at least once each year.

Principal funding sources

Principal Funding Sources

The CIO's principal source of funding was the contributions that were received from residents (or from local authorities on behalf of residents) towards the fees of providing them with accommodation and care. The whole of the CIO's expenditure in the year has supported the objectives of the CIO principally the key objective of providing high quality residential care. The greater part of the expenditure is directly related to the provision of such care (primarily staff wages and salaries) with lesser amounts (such as in relation to staff training, maintenance of the fabric of the Homes and management and administration of the CIO) being indirectly related to that objective. As already described above the CIO does make a grant award to Age UK Carlisle and Eden to support for non-residential beneficiaries.

During the current and prior year the CIO did not carry out any significant fundraising activities.

Investment policy

Investment Powers

The Scheme authorises the Trustees to make and hold investments using the general funds of the CIO. At 31 March 2024, investments were held within 4 separate funds with 2 investment companies. Under the terms of the Statement of Recommended Practice, Accounting by Charities, the investments were revalued and as at 31 March 2024 stood at a total market value of £409,564. This comprised listed investments at nil and other investments at £409,564.

Major risks

Indemnity Insurance

The CIO purchased trustee indemnity insurance as part of their main insurance policy, and therefore the trustees have been unable to determine the associated cost this year.

Policy Considerations

The Trustees are always mindful of their obligations as trustees to act in the best interests of the CIO and to meet the CIO's objectives. Trustees have been very alert to the increasing financial pressures in the sector and have stressed the importance of careful scrutiny of expenditure. In July 2017, the Trustees reiterated those aims by formally adopting the principle of looking at best value from the Trust's service providers, and that policy has continued to be implemented to date.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

In looking to the future, it is necessary to put the future in the context of the recent past.

The history of the CIO shows that it acquired its second residential Care Home (Barn Close) in 1991 and that it increased the provision of residential care at its first Care Home (Rosehill). In the time that followed, the CIO continued a phase of consolidation and stability. Its fundamental aim was to pursue, on an ongoing basis, its principal activity of providing high-quality residential care. In due course, the CIO added to its activities the making of a grant to Age UK Carlisle and Eden to provide a counselling and advice service to the elderly.

The CIO has reverted to operating a single residential care home, Rosehill. In addition to this activity, the CIO continues to fund the work of Age UK Carlisle and Eden with a commitment to making grants for a further three year period to 2025. At the time of this Report, the recent experience of the Rosehill home has been that recruitment and retention of staff has improved.

The CIO is a charity and is not governed by the same profit motive. That having been said, the Charity has a constant duty to act in a way which best meets the needs of the Trust and its beneficiaries. The aim of the CIO is to continue to operate the Rosehill home as it has done since the inception of the Trust. The provision of residential care for the needy elderly is however only one of the permitted activities of the Trust. If the disconnect between local authority funding and the real cost of provision continues to grow, the CIO will need to review whether it's purpose can be better and more cost effectively be met through any of the other permitted activities.

Structure, governance and management

The Governing Document and the Constitution of the CIO

The CIO is a charitable incorporated organisation and is governed by a constitution dated 10th August 2016. It was set up to take over from The Henry Lonsdale Charitable Trust (charity number 508840). The transfer of the assets from the predecessor charity to the CIO took place on 31st October 2018. The charitable purposes of the CIO are identical to those of the unincorporated charity. The Henry Lonsdale Charitable Trust was formally merged with the CIO on the 5 October 2020 and the predecessor Trust ceased to exist from that date.

The information in this Trustees' Report relates to the period from 1 April 2023 to the 31 March 2024, the fourth full year of operation of the CIO.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs C Bowditch	(Resigned 6 June 2023)
Mr J Mallinson	
Ms J Leith	
Mrs J Riddle (Vice Chair)	
Mrs A McKerrell	
Mr C Stothard	(Resigned 1 October 2023)
Mrs A Glendinning	(Appointed 6 June 2023)
Mr G Mitchel	(Appointed 6 June 2023)
Miss J Whalen	(Appointed 6 June 2023)

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Recruitment and appointment of trustees

Appointment of Trustees

There should be not less and not more than three appointed Trustees; and not less and not more than four Nominated Trustees. Cumbria County Council or any successor body which has responsibility for adult social care ("the appointing body") is entitled to appoint four Nominated Trustees, each appointment being for a term of three years.

Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees. In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

All newly appointed Trustees undertake induction and training as appropriate to their needs. This includes guided visits to the Home operated by the CIO and to its administrative headquarters to view the properties, meet the residents and staff and become familiar with the aims of the CIO and its ethos. Additionally, new Trustees are provided with a copy of the most recent Annual Report of the CIO and are sent copies of its policies and procedures relating both to residents and staff. When a Trustee's term of appointment expires, assuming he/she is willing to continue to act and remains eligible to do so, the Trustee is asked to confirm that there has been no change in his/her circumstances which would affect his/her ability to act as well as confirming that he/she is able to take up re-appointment from the relevant date.

A compliance file in respect of each Trustee is held at the Home. Enhanced Disclosure and Barring Service checks are obtained in respect of each Trustee.

On 9 March 2022, Cumbria County Council re-appointed the four existing Nominated Trustees for a further term of three years on expiry of their current terms in 2022. These appointments were confirmed by the Trustees of the CIO at their meeting on 7 June 2022. At the same meeting, the Trustees re-appointed two existing Appointed Trustees for further terms of three years on expiry of their current terms in 2022. The net effect is that the six re-appointed Trustees will hold office until dates in 2025. Under the current constitution of the CIO, this will be their final terms of office.

Following the change in the unitary authority from April 2023, Cumberland Council (successor to Cumbria County Council) replaced three of the four nominated trustees which had been formally appointed in the 7 June 2022 trustee meeting, ending their terms of office sooner than the planned term to 2025.

The Trustees of the CIO are actively considering succession planning to provide for a measured and planned transition to the Trustees who will follow.

Organisational structure

Organisational and Decision-Making Structure

The CIO's residential home was managed by a Registered Manager to whom operational decisions are devolved. Ultimate responsibility rests with the Trustees, who take all decisions, related to the policy and strategy of the CIO.

All matters requiring Trustee consideration and/or decision are brought to meetings of the Trustees. Trustees meet as and when required, but typically there is a quarterly meeting schedule.

Other matters

Risk Management

The major risks to which the CIO is exposed, as identified by the Trustees, have been subjected to detailed consideration. Systems and procedures have been established to mitigate those risks.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

The trustees' report was approved by the Board of Trustees.

Mr J Mallinson
Trustee

Mrs J Riddle (Vice Chair)
Trustee

13 November 2024

THE HENRY LONSDALE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Opinion

We have audited the financial statements of The Henry Lonsdale Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 31 March 2024 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

In auditing the financial statements, we have concluded that the trustees' 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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees 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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 statement of trustees' responsibilities, 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. 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 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 144 of the Charities Act 2011 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.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Charity Commission and the company's legal advisors.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saint & Co.

13 November 2024

**Chartered Accountants &
Statutory Auditor**

Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA

Saint & Co. is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HENRY LONSDALE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds general 2024 £	Unrestricted funds Designated 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Unrestricted funds Designated 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	8,230	-	8,230	5,808	-	5,808
Charitable activities	4	1,967,465	-	1,967,465	1,716,960	-	1,716,960
Investments	5	36,783	-	36,783	33,296	-	33,296
Other income	6	55,267	-	55,267	44,319	-	44,319
Total income		<u>2,067,745</u>	<u>-</u>	<u>2,067,745</u>	<u>1,800,383</u>	<u>-</u>	<u>1,800,383</u>
Expenditure on:							
Charitable activities	7	2,125,136	-	2,125,136	1,978,965	-	1,978,965
Other expenditure	13	2,855	-	2,855	-	-	-
Total expenditure		<u>2,127,991</u>	<u>-</u>	<u>2,127,991</u>	<u>1,978,965</u>	<u>-</u>	<u>1,978,965</u>
Net gains/(losses) on investments	14	<u>1,683,252</u>	<u>13,584</u>	<u>1,696,836</u>	<u>(39,584)</u>	<u>(824)</u>	<u>(40,408)</u>
Net income/(expenditure) and movement in funds		1,623,006	13,584	1,636,590	(218,166)	(824)	(218,990)
Reconciliation of funds:							
Fund balances at 1 April 2023		<u>2,827,142</u>	<u>111,599</u>	<u>2,938,741</u>	<u>3,045,308</u>	<u>112,423</u>	<u>3,157,731</u>
Fund balances at 31 March 2024		<u>4,450,148</u>	<u>125,183</u>	<u>4,575,331</u>	<u>2,827,142</u>	<u>111,599</u>	<u>2,938,741</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 20 to 34 form part of these financial statements.

THE HENRY LONSDALE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets			1,344,288		1,419,224
Investment property			2,950,000		1,250,000
Investments			409,564		437,727
			<u>4,703,852</u>		<u>3,106,951</u>
Current assets					
Debtors		54,553		43,366	
Cash at bank and in hand		239,092		138,252	
		<u>293,645</u>		<u>181,618</u>	
Creditors: amounts falling due within one year		<u>(422,166)</u>		<u>(349,828)</u>	
Net current liabilities			<u>(128,521)</u>		<u>(168,210)</u>
Total assets less current liabilities			<u>4,575,331</u>		<u>2,938,741</u>
Net assets excluding pension liability			<u>4,575,331</u>		<u>2,938,741</u>
			<u><u>4,575,331</u></u>		<u><u>2,938,741</u></u>
The funds of the charity					
Unrestricted funds - General			4,450,148		2,827,142
Unrestricted funds - Designated			125,183		111,599
			<u>4,575,331</u>		<u>2,938,741</u>
			<u><u>4,575,331</u></u>		<u><u>2,938,741</u></u>

The notes on form part of these financial statements.

The financial statements were approved by the trustees on 13 November 2024

Mr J Mallinson
Trustee

Mrs J Riddle (Vice Chair)
Trustee

THE HENRY LONSDALE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		52,390		(201,956)
Investing activities					
Purchase of tangible fixed assets		(13,333)		(19,762)	
Proceeds from disposal of investments		25,000		129,999	
Investment income received		36,783		33,296	
Net cash generated from investing activities			48,450		143,533
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			100,840		(58,423)
Cash and cash equivalents at beginning of year			138,252		196,675
Cash and cash equivalents at end of year			239,092		138,252

The notes on pages 20 to 34 form part of these financial statements.

THE HENRY LONSDALE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Rosehill Residential Home, Aglionby, Carlisle, Cumbria, CA4 8AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The trustees have discretion to allocate funds to particular resources as they so wish. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds, of which there were none, are those resources where the income and related expenditure are not available for general use, but are to be used in accordance with the specific wishes of the donor or which have been raised by the charity for a particular purpose.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

The following specific policies are applied to particular categories of income:

- Income from Social Services Department of Cumbria County Council, relating to the residents fees, is accounted for on an accruals basis.
- Income from private residents is accounted for on an accruals basis.
- Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over 50 years
Fixtures and fittings	15% reducing balance
Equipment (Energy Generating)	Over 20 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

- The trustees have estimated the useful economic lives of the categories of assets.
- The trustees have estimated the fair value of investment land and property, further details are included in note 17 to the accounts.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	8,230	42
Donated goods and services	-	5,766
	<u>8,230</u>	<u>5,808</u>

In 2024, Donations and gifts related to fundraiser collection for purchase of a minibus.

In 2023, donated goods and services related to PPE provided at no charge from the local authority in response to the Covid-19 pandemic.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable activities		
Sale of goods	877,600	879,774
Services provided under contract	1,089,865	837,186
	<u>1,967,465</u>	<u>1,716,960</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	19,129	18,390
Other income	17,654	14,906
	<u>36,783</u>	<u>33,296</u>

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Energy Generation Income	<u>55,267</u>	<u>44,319</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on charitable activities

	Total 2024 £	Total 2023 £
Direct costs		
Staff costs	1,453,186	1,310,001
Depreciation and impairment	85,414	87,868
Food & Medical supplies	96,507	92,832
Other employee benefits	1,200	3,153
Home running costs	197,674	168,684
Home maintenance costs	70,359	89,787
Registration Fees	5,779	9,246
Staff training	5,730	7,628
	<u>1,915,849</u>	<u>1,769,199</u>
Grant funding of activities (see note 8)	30,158	29,920
Share of support and governance costs (see note 9)		
Support	147,402	128,021
Governance	31,727	51,825
	<u>2,125,136</u>	<u>1,978,965</u>
Analysis by fund		
Unrestricted funds - general	<u>2,125,136</u>	<u>1,978,965</u>

8 Grants payable

	2024 £	2023 £
Grants to institutions:		
Age UK Carlisle and Eden	<u>30,158</u>	<u>29,920</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Support costs allocated to activities

	Total 2024 £	Total 2023 £
Staff costs	130,243	111,086
Accountancy	6,552	8,035
Other office costs	4,070	3,280
Bank charges	916	528
Insurance	3,001	3,873
Sundry expenses	2,427	970
Travel expenses	193	249
Governance	31,727	51,825
	<u>179,129</u>	<u>179,846</u>

	2024 £	2023 £
Governance costs comprise:		
Staff costs	5,224	4,535
Audit fees	6,300	5,754
Accountancy	6,913	8,727
Legal and professional	13,290	32,809
	<u>31,727</u>	<u>51,825</u>

10 Net movement in funds

	2024 £	2023 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	6,300	5,754
Depreciation of owned tangible fixed assets	85,414	87,868
Loss on disposal of tangible fixed assets	2,855	-
Operating lease charges	25,398	22,162
	<u>119,967</u>	<u>115,784</u>

11 Trustees

None of the trustees were entitled to or received any remuneration during the year. During the year, no trustees were reimbursed for travelling expenses. Trustees indemnity insurance was purchased by the Trust.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Care, Domestic & Admin staff	74	79
Management Staff	2	2
Total	76	81

Employment costs	2024 £	2023 £
Wages and salaries	1,459,390	1,304,324
Social security costs	100,383	94,831
Other pension costs	28,880	26,467
	1,588,653	1,425,622

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	58,067	55,983

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity.

13 Other expenditure

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net loss on disposal of tangible fixed assets	2,855	-

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Gains and losses on investments

	Unrestricted funds general 2024 £	Unrestricted funds Designated 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Unrestricted funds Designated 2023 £	Total 2023 £
Gains/(losses) arising on:						
Revaluation of investments	(16,622)	13,584	(3,038)	(39,054)	(824)	(39,878)
Sale of investments	(126)	-	(126)	(530)	-	(530)
Revaluation of investment properties	1,700,000	-	1,700,000	-	-	-
	<u>1,683,252</u>	<u>13,584</u>	<u>1,696,836</u>	<u>(39,584)</u>	<u>(824)</u>	<u>(40,408)</u>

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Equipment (Energy Generating) £	Total £
Cost				
At 1 April 2023	885,766	203,167	666,505	1,755,438
Additions	-	13,333	-	13,333
Disposals	-	(5,275)	-	(5,275)
At 31 March 2024	<u>885,766</u>	<u>211,225</u>	<u>666,505</u>	<u>1,763,496</u>
Depreciation and impairment				
At 1 April 2023	124,596	79,676	131,942	336,214
Depreciation charged in the year	28,210	19,339	37,865	85,414
Eliminated in respect of disposals	-	(2,420)	-	(2,420)
At 31 March 2024	<u>152,806</u>	<u>96,595</u>	<u>169,807</u>	<u>419,208</u>
Carrying amount				
At 31 March 2024	<u>732,960</u>	<u>114,630</u>	<u>496,698</u>	<u>1,344,288</u>
At 31 March 2023	<u>761,170</u>	<u>123,491</u>	<u>534,563</u>	<u>1,419,224</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Investment property

	£
Fair value	
At 1 April 2023	1,250,000
Net gains or losses through fair value adjustments	1,700,000
At 31 March 2024	2,950,000

The trustees have considered the valuation of the land and buildings surrounding, but not occupied by, the Rosehill Residential Home, with advice from their land agents. The trustees have historically estimated the value of investment land and buildings to be in the region of £1,250,000. This valuation is based on an estimated price per acre for Agricultural land and also for the development land and an expected yield basis for the rented property. Due to the sale of part of the land after the year end, the estimated price per acre has been updated to reflect the current market value of the land being £1,700,000 more than estimated. Therefore the fair value of investment land and buildings at year end is estimated to be in the region of £2,950,000.

	2024 £	2023 £
Freehold	2,950,000	1,250,000

18 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2023	437,727
Valuation changes	(3,037)
Disposals	(25,126)
At 31 March 2024	409,564
Carrying amount	
At 31 March 2024	409,564
At 31 March 2023	437,727

All investments shown above are held at valuation.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 Fixed asset investments (Continued)

Fixed asset investments revalued

All investments have been valued at fair value being their market value at the Balance Sheet date, for the COIF funds this has been provided by the fund at the year end date.

This historic cost of the investments is £346,832 (2023: £373,280)

19 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	9,394	15,893
Prepayments and accrued income	45,159	27,473
	<u>54,553</u>	<u>43,366</u>

20 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Other taxation and social security		20,566	17,753
Deferred income	21	213,611	189,366
Trade creditors		30,524	35,951
Other creditors		7,778	4,660
Accruals		149,687	102,098
		<u>422,166</u>	<u>349,828</u>

21 Deferred income

	2024	2023
	£	£
Other deferred income	<u>213,611</u>	<u>189,366</u>

Deferred income includes fee and rental income relating to the following year but received in advance and a land option fee for the sale of a parcel of land which is expected to complete in 2024/25.

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	<u>213,611</u>	<u>189,366</u>
Movements in the year:		

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

21	Deferred income		(Continued)
	Deferred income at 1 April 2023	189,366	187,604
	Released from previous periods	(59,366)	(57,604)
	Resources deferred in the year	83,611	59,366
		<u> </u>	<u> </u>
	Deferred income at 31 March 2024	213,611	189,366
		<u> </u>	<u> </u>

22	Retirement benefit schemes	2024	2023
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	28,880	26,467
		<u> </u>	<u> </u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

23 Unrestricted funds - Designated

These are unrestricted funds which are material to the charity's activities.

The trust has designated funds to enable future, unforeseen, emergency repairs. These funds have been invested with CCLA. These funds are unrestricted and amounted to £125,183 (2023: £111,599) at the balance sheet date.

	At 1 April 2023	Gains and losses	At 31 March 2024
	£	£	£
Designated Funds	111,599	13,584	125,183
	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2022	Gains and losses	At 31 March 2023
	£	£	£
Designated Funds	112,423	(824)	111,599
	<u> </u>	<u> </u>	<u> </u>

The trust has designated funds to enable future, unforeseen, emergency repairs. These funds have been invested with CCLA.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Unrestricted funds - General

	At 1 April 2023	Incoming resources	Resources expended	Gains and losses	At 31 March 2024
	£	£	£	£	£
General funds	2,827,142	2,067,745	(2,127,991)	1,683,252	4,450,148
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2022	Incoming resources	Resources expended	Gains and losses	At 31 March 2023
	£	£	£	£	£
General funds	3,045,308	1,800,383	(1,978,965)	(39,584)	2,827,142
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

25 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total	Unrestricted funds	Designated funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Fund balances at 31 March 2024 are represented by:						
Tangible assets	1,344,288	-	1,344,288	1,419,224	-	1,419,224
Investment properties	2,950,000	-	2,950,000	1,250,000	-	1,250,000
Investments	409,564	-	409,564	326,128	111,599	437,727
Current assets/(liabilities)	(128,521)	-	(128,521)	(168,210)	-	(168,210)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	4,575,331	-	4,575,331	2,827,142	111,599	2,938,741
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

26 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	24,776	21,581
Between two and five years	92,214	82,338
In over five years	22,531	36,244
	<u>139,521</u>	<u>140,163</u>

27 Other financial commitments

The trust has entered into a 3 year agreement with Age UK Carlisle and Eden for them to provide information and advice to residents in Carlisle. This runs until June 2025. Expected expenditure in the next year is £30,688 and within 2-5 years is £7,691.

28 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

29 Cash generated from operations

	2024 £	2023 £
Surplus/(deficit) for the year	1,636,590	(218,990)
Adjustments for:		
Investment income recognised in statement of financial activities	(36,783)	(33,296)
Loss on disposal of tangible fixed assets	2,855	-
Loss on disposal of investments	126	530
Fair value gains and losses on investment properties	(1,700,000)	-
Fair value gains and losses on investments	3,038	39,878
Depreciation and impairment of tangible fixed assets	85,414	87,868
Movements in working capital:		
(Increase) in debtors	(11,187)	(12,512)
Increase/(decrease) in creditors	48,092	(67,196)
Increase in deferred income	24,245	1,762
Cash generated from/(absorbed by) operations	<u>52,390</u>	<u>(201,956)</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

30 Analysis of changes in net funds

The charity had no material debt during the year.

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THE HENRY LONSDALE TRUST

England & Wales - Charity number 1168707

Accounts

THE HENRY LONSDALE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE HENRY LONSDALE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr. J Mallinson	
	Ms J Leith	
	Mrs J Riddle	
	Mrs A McKerrell	
	Mrs A Glendinning	(Appointed 6 June 2023)
	Mr G Mitchel	(Appointed 6 June 2023)
	Miss J Whalen	(Appointed 6 June 2023)
Charity number	1168707	
Principal address	Rosehill Residential Home	
	Rosehill	
	Aglionby	
	Carlisle	
	Cumbria	
	CA4 8AA	
Auditor	Saint & Co.	
	Sterling House	
	Wavell Drive	
	Rosehill	
	Carlisle	
	CA1 2SA	
Bankers	HSBC Plc	
	English Street	
	Carlisle	
	Cumbria	
	CA3 8JX	
Solicitors	Burnetts Solicitors	
	Victoria House	
	Rosehill	
	Carlisle	
	CA1 2ST	

THE HENRY LONSDALE TRUST

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THE HENRY LONSDALE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The Trustees' Annual Report covers the activities of the CIO over the period of 12 months to the 31 March in each year marking the financial year end. The CIO has since 1991 operated two residential homes for the elderly; Rosehill and Barn Close. However, Barn Close was formally closed in the previous year (on 23 March 2022), and formally de-registered with effect from 24 March 2022. As from that date, the CIO has operated a single home for the elderly, Rosehill.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing constitution, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Object of the CIO

The object of the CIO is the relief of needy elderly people in one or more of the following ways

- by the provision and maintenance of a Home or Homes for elderly persons of limited means;
- by the provision of day and respite care centres for elderly persons of limited means;
- by the provision of financial assistance and other services for elderly persons of limited means who require those services or assistance by reason of their age and limitation of means.

The Aims of the CIO

The principal aim of the CIO has been to provide high quality, professional residential care at a Home for elderly persons of limited means at Rosehill, Carlisle. When it became actively operational (on 31 October, 2018) the CIO became responsible for the ongoing management of the Home and the Care Quality Commission ("CQC") license transferred to the CIO.

Access to the CIO's Home has been available to all elderly persons in respect of whom, following formal assessment, the CIO is satisfied that it can provide the appropriate level and type of care that the Home in question is registered to provide. Decisions as to admission to residence are made regardless of such matters such as personal background, faith or personal circumstances. Access to the facilities provided within the Home is similarly 'open to all'. Through those activities, the CIO seeks to care for such elderly persons and enhance the quality of the later stages of their lives. The care provided by the CIO is thus related to the particular needs of its beneficiaries and to the CIO's aims.

The CIO's aims are, therefore, capable of being charitable in that they fall within the descriptions of purposes in the Charities Act 2006: relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

The Trustees have had regard to the Charity Commission's guidance on public benefit and are satisfied that the principles of public benefit set out by the Charity Commission are met:

Principle 1: an identifiable benefit or benefits

The benefits are the provision of accommodation and care to elderly persons. The operation of a care home is a legitimate means of relieving the needs of the aged and/or infirm. Those benefits are related to the CIO's aims in that they arise as a direct result of the CIO pursuing its charitable aims. The care provided by the CIO is related to the particular needs of its beneficiaries and to the CIO's aim and all beneficiaries are assessed for care need before entering the CIO's Home.

There is no evidence of any (let alone significant) detrimental or harmful effects arising from the CIO carrying out its aims.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Principle 2: benefit must be to the public or a section of the public

The CIO's primary beneficiaries are the residents in its Home. They are "needy" and "elderly". The beneficial class is, therefore, clearly appropriate to the charitable aims of the CIO as there is an obvious connection between the aim and the residents who are in need of care. There is 40 residential placements available at Rosehill. Anyone who, by reference to the registration requirements of the respective Home, was eligible to become a resident will be considered for residence.

The CIO also provides support to beneficiaries who are not resident in the Home by way of grant funding, to support the activities of Age UK Carlisle and Eden (see 2.6 below).

The opportunity to benefit is not unreasonably restricted. Indeed, the only restriction derives from the object of the CIO, which is directed at people who are "needy" and "elderly".

Geographical restriction: There is no express geographical restriction in the stated objects of the CIO that is applied to the opportunity to benefit. In practice, for obvious reasons, most of the residents are people from Carlisle. The CIO does, however, accept into its Home residents from elsewhere in the Country. This typically arises where members of the resident's family are themselves resident in or around Carlisle.

Residents' needs: As mentioned above, residents are only admitted to the Home following an assessment of their needs so as to ensure that the particular Home can provide adequate care. The need for care of each beneficiary is assessed at the time of admission. The CIO does not provide access to residence for those in need of full medical or nursing care as it is not registered to provide such care.

Charges: While the CIO does charge fees, seeking contributions to fees for residential care is expressly provided for in its founding charitable Scheme. For many years the CIO adopted, as the fee that it would seek from all residents, the fee set from time to time by Cumbria County Council as the fee that it, as Social Services Authority, paid to the CIO in respect of those residents who were funded by that Council.

In the year ending 2016, the Trustees decided with some reluctance and following consultations with residents and their families, that as a result of continuing and increasing financial pressures on the sector, the weekly fee charged to privately-funded residents would be increased by a supplement over the fee paid by the County Council in respect of Social Services funded residents.

The Trustees resolved at their meeting on 1 March 2022, that the supplement top up fee payable by privately funded residents would be £150 per week with effect from 1 April 2022.

Local authority funding can be available to meet the full fees of prospective residents who are unable to pay from their own resources. There are therefore opportunities for which those who are unable to afford the charges sought by the CIO can benefit from the CIO's provision. As such, there is no restriction based on ability to pay.

Thus, taking into account what is reasonable and appropriate in the circumstances, the Trustees are satisfied that the CIO does provide sufficient opportunity to benefit in a material way for those who cannot afford the financial contributions that it seeks from its residents towards the provision of care and facilities as provided in its founding Charitable Scheme.

Taking together the above considerations, the Trustees are satisfied that the restrictions on people who have the opportunity to benefit are rational and justifiable and that the opportunity to benefit is not unreasonably restricted by geographical or other factors.

The CIO does not provide private benefits to people other than its beneficiaries.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Objectives of the CIO

In setting the objectives for the CIO and planning its strategies and activities referred to in this Report, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The principal objectives of the CIO can be summarised as follows:

- provision of high quality, professional residential care;
- enhanced training for all staff;
- open and accessible management and dialogue with staff;
- introduction of appropriate staff policies and training;
- improvement, refurbishment and maintenance (planned and reactive) of its Home.

The Strategies of the CIO

The CIO's strategies for achieving the above objectives include, for example, providing staff with such training as is necessary and appropriate both 'in-house' and through relevant external providers. The CIO's policy aim is to try to exceed the requirement of the Care Standards Act 2000 and the expectations of the Care Quality Commission ("CQC") by encouraging all care staff to achieve at least the Health Social Care Diploma Level 2. The CIO similarly aims normally to ensure that suitable training is provided for its administrative staff who are encouraged to pursue relevant courses of training. It is through a combination of the material environment and the training of staff that quality residential care is provided to the residents.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Significant Activities

The nature of the CIO is not such that it undertakes, in particular years, specific programmes or projects to achieve its objects and further its aims. Rather, the role and activities of the CIO are more ongoing in nature, reflecting the respective needs of the elderly persons for whom it provides care. The significance of the activities of the CIO, therefore, is that it continues to provide high quality care rather than that it undertakes any 'one-off' programmes or projects of particular importance during any particular year.

The Trustees do aim to continue to enhance the service on an ongoing basis.

Grant-making Policy

The original object of the CIO was directed at the provision of a residential care home. That object was amended in 1992 to include the relief of needy elderly people by the provision of financial assistance.

In accordance with this amendment the Trustees agreed, in 2016, to make a grant to Age UK Carlisle and Eden to fund a Carlisle-based Information and Advice Officer, employed by that Charity, for a period of three years expiring on the 30 June 2019.

The Trustees then agreed to make a further grant to Age UK Carlisle and Eden in the order of £86,740 to continue the service for a further period of three years commencing on the 1 July 2019. This was renewed to the 30 June 2022, and has now been renewed again in similar terms to the 30 June 2025.

As that is the only grant made by the CIO, it does not have a formal grant-making policy. Instead, the Trustees maintain close scrutiny of the service provided by receiving regular reports of its activities.

THE HENRY LONSDALE TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

Charitable Activities: Performance against Objectives

(i) Formal assessment

As mentioned above, the key objective of the CIO is to provide high quality, professional residential care. The best measure of whether the performance of the CIO achieved that objective can be drawn from the reports of formal inspections undertaken from time to time at the Home by CQC, and from less formal ongoing liaison with the CQC. The Registered Manager has maintained good links with the CQC and Cumbria County Council (the Social Services Authority) and enjoyed positive feedback in the process.

The Trustees have a system of monthly rota visits to the Home resulting in each of the Trustees undertaking two visits to the Home during the year. This arrangement was restored during the year after it had been suspended during the previous years because of COVID 19. The Chair and Vice Chair of the Trustees remained in close contact with the Registered Manager during the Year offering their close support.

(ii) Informal assessment

Less formal measures of the extent to which the CIO's performance achieves its objectives can be drawn, first, from the fact that places within the Home have been much sought after either by potential residents themselves or their families and professional carers and, secondly, from the many letters of appreciation that are received.

Slightly more formally, the Manager would from time-to-time issue Quality Assurance Questionnaires to residents, relatives, visitors and representatives of relevant professional agencies. A good return of the questionnaires is normally achieved with the vast majority of responses being very positive and complimentary. Negative comments have rarely been made but any that are received are swiftly looked into and resolved.

Residential Care

(a) Central to the activities of the CIO was the wish to continue provision of a high quality Home for elderly people to the East (Rosehill) of Carlisle.

High quality care is of increasing importance given the increasing frailty of residents coming into residential care. This remains the standard aim for the provision of care at Rosehill going forward.

(b) The CIO continues to embrace the standards for care homes laid down by the Health and Social Care Acts 2008 and 2012 to the benefit of its residents, and complies with a standard contract with Cumbria County Council, which regulates residential care services provided by the CIO.

(c) The fabric of the Home is maintained in keeping with the high standards of care provided for the residents by the CIO and its employees. The Trustees keep this under regular review and approve funding for refurbishment of the Homes as and when a potential and/or actual need is identified.

(d) Improved and innovative activity programmes and measures to provide enjoyment and stimulation for residents and their carers at the Home have always received a high priority.

(e) The CIO has continued its policy (unlike many other residential care homes) of not charging residents for basic toiletries.

(f) Residents at the Home have continued to present as being increasingly frail thus needing extra support from staff. Unsurprisingly, this has led to an increased call on the time and expertise of staff to ensure that the requisite standards were maintained and this has been carefully and appropriately managed.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Staffing

(a) The CIO has a Registered Manager for the Care Home who acted in relation to day-to-day management issues affecting the CIO as a whole. They were answerable in relation to the budgets for the Home and had power to spend up to £5,000 on a single item or a combination of related items; albeit with spending monitored by the Chair.

(b) The maintenance of an effective administration system falls within the remit of the Senior Administrator under the supervision of the sole Registered Manager.

(c) The CIO considers training of staff to be an important priority. The CIO has previously set a target that all care staff (as opposed to the 50% referred to in the National Minimum Care Standards) should be trained to the Health and Social Care Diploma Level 2 (which replaced NVQ Level 2 in January 2011).

(d) Additionally, one Domestic Assistant has achieved the Level 1 qualification, and all Care Officers have achieved at least the former NVQ Level 3 award. Due to recruitment difficulties, the Trust has relaxed its requirement that all newly appointed night care staff should already hold the Level 2 qualification, and in contrast to previously, neither Deputy Manager currently holds an NVQ level 4 or Residential Manager's Award. All employed staff who do not have an NVQ2/Diploma level 2 are required to undertake the Care certificate, and are given the opportunity to gain an NVQ/Diploma in Health and Social Care. A policy of continuous staff improvement remains a high priority.

(e) More generally, ongoing mandatory and other training has been provided to staff in respect of, for example, first-aid, fire prevention and fire warden, challenging behaviour, dementia awareness, bereavement awareness, a CHESS (Care Home Effective Support Service) education programme, control of infection, nutrition and malnutrition, safeguarding vulnerable adults, safe handling and administration of medication, food hygiene, handling and lifting, end of life care, palliative care and equality and diversity. Additionally, the few staff who do not hold Health and Social Care Diploma complete the Care Certificate qualification. All in all, there is no member of the CIO's staff who has not participated in some form of training during the year. The practice of 'Train the Trainer' (whereby key staff attend external training and then roll out or 'cascade' what they have learned to other staff) has been particularly beneficial in that when staff who have been trained then provide training to other staff, money that would have been spent on an external training provider is saved and, importantly, the training is better suited to the staff as it is focused upon their working environment.

(f) The CIO has traditionally been considered to be a good employer, and its wage and salary structure has normally found it operating at above average for the industry. The Trustees paid staff a Christmas Bonus.

(g) The CIO has participated in the Care Apprentice Scheme to the mutual benefit of the CIO and the individuals concerned.

(h) The CIO had been looking to expand its in-house maintenance provision, the Trustees will be undertaking a comprehensive review of needs going forward. This is ongoing.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Finance and Administration

(a) The previously improved arrangements with regard to setting an annual budget and then carefully monitoring expenditure against that budget have been continued.

(b) Financial contributions from residents towards their care have been maintained in line with the policies of Cumbria County Council, although (as described above) the weekly supplement charged to privately-funded residents in excess of the amount paid by Cumbria County Council for Social Services residents was reviewed and further amended effective from 1 April 2022. In this regard, consideration is given at all times to the charitable status of the CIO and its objects.

(c) The Trust's Financial Statements have continued to be professionally audited with nothing untoward being noted in respect of either income or expenditure. The Trust made a deficit of £218,990 for the year ending 31 March 2023.

(d) The Trustees have continued to attend to various matters pursuant to SORP 2019: for example, Risk Assessment, Investment Policy and Policy on Reserves.

(e) The Trustees continue to review the investment strategy with guidance and information from their Investment Adviser. (See further details below).

(f) In October 2017, the Trustees undertook a financial review of Trust priorities as a result of the growing discrepancy between the real costs of providing residential care and the fees charged. This differential resulted from a number of external factors; not the least of which was the more restricted contributions which the local authority felt constrained to make in relation to its nominated residents. This resulted in policy changes to the fee structure and the payment of a supplement by private fee paying residents.

(g) The rate paid by local authorities for residents placed by them with third party residential care providers has become increasingly problematical, and increasingly divorced from the real cost of providing care.

(h) The CIO is a charity and is not required to make a profit. Its duty is to fulfil the aims of the Trust making decisions which are designed to best achieve the aims of the Trust and meet the needs of the beneficiaries. The provision of residential care for the elderly in need is only one of the permitted purposes under the Trust. Going forward, the Trustees will keep under close review the question of how best to achieve the aims of the Trust to the maximum the benefit to the beneficiaries.

(i) The Trustees keep under review the rates of pay payable to staff, and the terms and conditions employment, with the aim of being a good and fair employer within the sector.

Property & Premises

(a) The Trustees have continued their stewardship of the CIO's buildings and estate through an ongoing programme of refurbishment and building maintenance.

(b) The Trustees have continued to address a number of other property-related issues away from the main estate comprising, the Rosehill Home.

(c) The Trustees entered into an Option Agreement in 2015 with a local housing developer to sell part of the CIO's investment land and took advice from specialised Chartered Surveyors to ensure the Trust's interests were maximised. This progressed more slowly than expected with the planning process still incomplete by the expiry of that option, and the developer renewed the option.

2021 saw a change in market conditions which allowed the developer to proceed with its plans and seek to agree a purchase of the land. The Trustees took professional advice for the purpose of the negotiations and at a specially convened meeting of the Trustees on 20 April 2021, the Trustees approved the terms for the sale of the land to the developer. The current target, subject to planning permissions etc. The Trustees receive regular reports on progress and completion is now expected in the financial year 2024/2025.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Investments: Performance against Objectives by the Trustees

The Trustees long standing objective for its investments has been to try to protect the value of the Trust's capital whilst aiming for some capital growth and a competitive income. The Trust had previously invested principally in two funds: CCLA and Premier Asset Management. The investments were largely a mix of different asset classes including shares which, understandably, resulted in occasional volatility from time to time. The need for astute financial management has become even more acute, firstly, because of the recent history of low interest rates, and secondly (and more up to date), because of the likely impact of COVID 19 and the impact on investments. The need for good advice is even more acute given the forecast that recession is imminent and expected to last until the end of 2023.

Trustees have taken regular guidance from their investment adviser as and when cash is needed and/or when investments reach their maturity date. In 2018/2019, the advisor advised a change in the investment portfolio. He recommended investments in three funds, a Defensive Income Securities Fund, a Social Freehold Fund and a Commercial Freehold Fund, and the Trustees considered and accepted his advice in that respect.

In the course of 2019/2020, the adviser invested the funds with Time Investments in accordance with his recommendations and the Trustees approval. He provides regular reports on their performance to the Trustees at their quarterly meetings for their consideration and review.

External Factors

There are a number of factors outside the CIO's control, which are relevant to the achievement of its objectives. These include relationships with employees, residents, their families, other carers and professionals, Cumbria County Council (as social services authority), social workers and other employees of that Council and the CIO's position in the wider community. It is pleasing to note that the relationships with all these individuals and organisations are good.

The CIO maintains close contact with the Care Quality Commission (CQC) from whom it receives very good and positive feedback, and which is always available for advice and support.

As mentioned above, a particular influence of the County Council is that it fixes the fees that it will pay towards the care and accommodation provided by the CIO to residents supported by that Council. The CIO is not in a position to influence the level of fee that is set by the County Council. This fee also impacts upon the contribution that is sought from all other privately funded residents towards the costs of their residence as it provides the base level to which is added the supplement payable by privately funded residents.

The concern remains that as the aged population increases, and the likely number of those needing residential care in the future also significantly increases, the gap between what the County Council is willing and/or able to pay, and the actual cost of providing care is likely to grow wider. This will require the Trustees to keep under careful review whether maintaining a residential care home remains the best and/or most cost effective way of meeting the aims of the Trust.

Financial review

A detailed breakdown of the CIO's funds is contained in the Financial Statements with a narrative at notes 22 and 23.

Total funds of £2,938,741 were held at the year-end of which £1,419,224 can only be realised by disposing of tangible fixed assets or investment property. As Note 23 explains, within the unrestricted funds, the Trust had designated funds of £111,599 as at 31 March 2023. This was to make provision for and enable any future unforeseen emergency repairs. After accounting for the above, this leaves unallocated reserves which are available for use by the CIO totalling £1,407,918.

Unallocated reserves are available for use by the CIO totalling £1,407,918.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The policy of the CIO is to attempt to maintain sufficient unallocated reserves representing approximately one year's total operating costs (which this year amounted to £1,891,097 (excluding depreciation)) on the basis of the time that might be necessary to reconstruct the residential Homes following a major incident and the costs relating thereto, particularly in connection with the temporary accommodation of residents.

The level of reserves is monitored and reviewed by the Trustees as necessary and at least once each year.

Principal Funding Sources

The CIO's principal source of funding was the contributions that were received from residents (or from local authorities on behalf of residents) towards the fees of providing them with accommodation and care. The whole of the CIO's expenditure in the year has supported the objectives of the CIO principally the key objective of providing high quality residential care. The greater part of the expenditure is directly related to the provision of such care (primarily staff wages and salaries) with lesser amounts (such as in relation to staff training, maintenance of the fabric of the Homes and management and administration of the CIO) being indirectly related to that objective. As already described above the CIO does make a grant award to Age UK Carlisle and Eden to support for non-residential beneficiaries.

During the current and prior year the CIO did not carry out any significant fundraising activities.

Investment Powers

The Scheme authorises the Trustees to make and hold investments using the general funds of the CIO. At 31 March 2023, investments were held within 4 separate funds with 2 investment companies. Under the terms of the Statement of Recommended Practice, Accounting by Charities, the investments were revalued and as at 31 March 2023 stood at a total market value of £437,727. This comprised listed investments at nil and other investments at £437,727.

Indemnity Insurance

The CIO purchased trustee indemnity insurance as part of their main insurance policy, and therefore the trustees have been unable to determine the associated cost this year.

Policy Considerations

The Trustees are always mindful of their obligations as trustees to act in the best interests of the CIO and to meet the CIO's objectives. Trustees have been very alert to the increasing financial pressures in the sector and have stressed the importance of careful scrutiny of expenditure. In July 2017, the Trustees reiterated those aims by formally adopting the principle of looking at best value from the Trust's service providers, and that policy has continued to be implemented to date.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

In looking to the future, it is necessary to put the future in the context of the recent past.

The history of the CIO shows that it acquired its second residential Care Home (Barn Close) in 1991 and that it increased the provision of residential care at its first Care Home (Rosehill). In the time that followed, the CIO continued a phase of consolidation and stability. Its fundamental aim was to pursue, on an ongoing basis, its principal activity of providing high-quality residential care. In due course, the CIO added to its activities the making of a grant to Age UK Carlisle and Eden to provide a counselling and advice service to the elderly.

The CIO has reverted to operating a single residential care home, Rosehill. In addition to this activity, the CIO continues to fund the work of Age UK Carlisle and Eden with a commitment to making grants for a further three year period to 2025. At the time of this Report, the recent experience of the Rosehill home has been that recruitment and retention of staff has improved.

The CIO is a charity and is not governed by the same profit motive. That having been said, the Charity has a constant duty to act in a way which best meets the needs of the Trust and its beneficiaries. The aim of the CIO is to continue to operate the Rosehill home as it has done since the inception of the Trust. The provision of residential care for the needy elderly is however only one of the permitted activities of the Trust. If the disconnect between local authority funding and the real cost of provision continues to grow, the CIO will need to review whether its purpose can be better and more cost effectively be met through any of the other permitted activities.

Structure, governance and management

The Governing Document and the Constitution of the CIO

The CIO is a charitable incorporated organisation and is governed by a constitution dated 10th August 2016. It was set up to take over from The Henry Lonsdale Charitable Trust (charity number 508840). The transfer of the assets from the predecessor charity to the CIO took place on 31st October 2018. The charitable purposes of the CIO are identical to those of the unincorporated charity. The Henry Lonsdale Charitable Trust was formally merged with the CIO on the 5 October 2020 and the predecessor Trust ceased to exist from that date.

The information in this Trustees' Report relates to the period from 1 April 2022 to the 31 March 2023, the fourth full year of operation of the CIO.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs C Bowditch	(Resigned 6 June 2023)
Mr. J Mallinson	
Mr J Bell	(Deceased 3 March 2023)
Ms J Leith	
Mrs J Riddle	
Mrs A McKerrell	
Mr C Stothard	(Resigned 1 October 2023)
Mrs A Glendinning	(Appointed 6 June 2023)
Mr G Mitchel	(Appointed 6 June 2023)
Miss J Whalen	(Appointed 6 June 2023)

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Appointment of Trustees

There should be not less and not more than three appointed Trustees; and not less and not more than four Nominated Trustees. Cumbria County Council or any successor body which has responsibility for adult social care ("the appointing body") is entitled to appoint four Nominated Trustees, each appointment being for a term of three years.

Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees. In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

All newly appointed Trustees undertake induction and training as appropriate to their needs. This includes guided visits to the Home operated by the CIO and to its administrative headquarters to view the properties, meet the residents and staff and become familiar with the aims of the CIO and its ethos. Additionally, new Trustees are provided with a copy of the most recent Annual Report of the CIO and are sent copies of its policies and procedures relating both to residents and staff. When a Trustee's term of appointment expires, assuming he/she is willing to continue to act and remains eligible to do so, the Trustee is asked to confirm that there has been no change in his/her circumstances which would affect his/her ability to act as well as confirming that he/she is able to take up re-appointment from the relevant date.

A compliance file in respect of each Trustee is held at the Home. Enhanced Disclosure and Barring Service checks are obtained in respect of each Trustee.

On 9 March 2022, Cumbria County Council re-appointed the four existing Nominated Trustees for a further term of three years on expiry of their current terms in 2022. These appointments were confirmed by the Trustees of the CIO at their meeting on 7 June 2022. At the same meeting, the Trustees re-appointed two existing Appointed Trustees for further terms of three years on expiry of their current terms in 2022. The net effect is that the six re-appointed Trustees will hold office until dates in 2025. Under the current constitution of the CIO, this will be their final terms of office.

Following the change in the unitary authority from April 2023, Cumberland Council (successor to Cumbria County Council) replaced three of the four nominated trustees which had been formally appointed in the 7 June 2022 trustee meeting, ending their terms of office sooner than the planned term to 2025.

The Trustees of the CIO are actively considering succession planning to provide for a measured and planned transition to the Trustees who will follow.

Organisational and Decision-Making Structure

The CIO's residential home was managed by a Registered Manager to whom operational decisions are devolved. Ultimate responsibility rests with the Trustees, who take all decisions, related to the policy and strategy of the CIO.

All matters requiring Trustee consideration and/or decision are brought to meetings of the Trustees. Trustees meet as and when required, but typically there is a quarterly meeting schedule.

Risk Management

The major risks to which the CIO is exposed, as identified by the Trustees, have been subjected to detailed consideration. Systems and procedures have been established to mitigate those risks.

THE HENRY LONSDALE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Mr. J Mallinson
Trustee

Mrs J Riddle
Trustee

10 January 2024

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Opinion

We have audited the financial statements of The Henry Lonsdale Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including 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 charity's affairs as at 31 March 2023 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

In auditing the financial statements, we have concluded that the trustees' 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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees 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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 statement of trustees' responsibilities, 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. 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 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 144 of the Charities Act 2011 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.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Charity Commission and the company's legal advisors.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE HENRY LONSDALE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE HENRY LONSDALE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saint & Co.

12 January 2024

**Chartered Accountants &
Statutory Auditor**

Sterling House
Wavell Drive
Rosehill
Carlisle
CA1 2SA

Saint & Co. is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HENRY LONSDALE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Notes							
Income and endowments from:							
Donations and legacies	3	5,808	-	5,808	196,733	-	196,733
Charitable activities	4	1,716,960	-	1,716,960	2,498,322	-	2,498,322
Investments	5	33,296	-	33,296	36,068	-	36,068
Other income	6	44,319	-	44,319	50,143	-	50,143
Total income		<u>1,800,383</u>	<u>-</u>	<u>1,800,383</u>	<u>2,781,266</u>	<u>-</u>	<u>2,781,266</u>
Expenditure on:							
Charitable activities	7	<u>1,978,965</u>	<u>-</u>	<u>1,978,965</u>	<u>3,458,068</u>	<u>-</u>	<u>3,458,068</u>
Net gains/(losses) on investments	13	<u>(39,584)</u>	<u>(824)</u>	<u>(40,408)</u>	<u>18,265</u>	<u>11,748</u>	<u>30,013</u>
Net movement in funds		<u>(218,166)</u>	<u>(824)</u>	<u>(218,990)</u>	<u>(658,537)</u>	<u>11,748</u>	<u>(646,789)</u>
Fund balances at 1 April 2022		<u>3,045,308</u>	<u>112,423</u>	<u>3,157,731</u>	<u>3,703,845</u>	<u>100,675</u>	<u>3,804,520</u>
Fund balances at 31 March 2023		<u><u>2,827,142</u></u>	<u><u>111,599</u></u>	<u><u>2,938,741</u></u>	<u><u>3,045,308</u></u>	<u><u>112,423</u></u>	<u><u>3,157,731</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 19 to 32 form part of these financial statements.

THE HENRY LONSDALE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	16	1,419,224		1,487,329	
Investment property	17	1,250,000		1,250,000	
Investments	18	437,727		608,133	
			3,106,951		3,345,462
Current assets					
Debtors	20	43,366		30,854	
Cash at bank and in hand		138,252		196,675	
			181,618		227,529
Creditors: amounts falling due within one year	21	(349,828)		(415,260)	
Net current liabilities			(168,210)		(187,731)
Total assets less current liabilities			2,938,741		3,157,731
Income funds					
Unrestricted funds - designated	23	111,599		112,423	
Unrestricted funds - general		2,827,142		3,045,308	
			2,938,741		3,157,731

The notes on pages 19 to 32 form part of these financial statements.

The financial statements were approved by the Trustees on 10 January 2024

Mr. J Mallinson
Trustee

Mrs J Riddle
Trustee

THE HENRY LONSDALE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	28		(201,956)		(235,898)
Investing activities					
Purchase of tangible fixed assets		(19,762)		(166,771)	
Proceeds from disposal of investments		129,999		-	
Investment income received		33,296		36,068	
Net cash generated from/(used in) investing activities			143,533		(130,703)
Financing activities					
Payment of obligations under finance leases		-		(1,853)	
Net cash used in financing activities			-		(1,853)
Net decrease in cash and cash equivalents			(58,423)		(368,454)
Cash and cash equivalents at beginning of year			196,675		565,129
Cash and cash equivalents at end of year			138,252		196,675

The notes on pages 19 to 32 form part of these financial statements.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Rosehill Residential Home, Aglionby, Carlisle, Cumbria, CA4 8AA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The trustees have discretion to allocate funds to particular resources as they so wish. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds, of which there were none, are those resources where the income and related expenditure are not available for general use, but are to be used in accordance with the specific wishes of the donor or which have been raised by the charity for a particular purpose.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The following specific policies are applied to particular categories of income:

- Income from Social Services Department of Cumbria County Council, relating to the residents fees, is accounted for on an accruals basis.
- Income from private residents is accounted for on an accruals basis.
- Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over 50 years
Leasehold land and buildings	Over the period of the lease
Fixtures and fittings	15% reducing balance
Equipment (Energy Generating)	Over 20 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

- The trustees have estimated the useful economic lives of the categories of assets.
- The trustees have estimated the fair value of investment land and property, further details are included in note 17 to the accounts.

3 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Donations and gifts	42	-
Government grant income	-	183,022
Donated goods and services	5,766	13,711
	<u>5,808</u>	<u>196,733</u>

Donated goods and services relates to PPE provided at no charge from the local authority in response to the Covid-19 pandemic.

Government grants consist of £nil (2022: £4,645) received via the Coronavirus Job Retention Scheme and £nil (2022: £178,377) in relation to Residential and Nursing payments.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	2023 £	2022 £
Residential fees	879,774	1,545,657
Local Authority Contributions	837,186	952,665
	<u>1,716,960</u>	<u>2,498,322</u>

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income	18,390	17,419
Investment income	14,906	18,649
	<u>33,296</u>	<u>36,068</u>

6 Other income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Energy Generation Income	44,319	50,143

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	2023 £	2022 £
Staff costs	1,310,001	2,073,092
Depreciation and impairment	87,868	94,933
Food & Medical supplies	92,832	138,763
Other employee benefits	3,153	10,728
Home running costs	168,684	296,545
Home maintenance costs	89,787	125,909
Interest of HP finance	-	34
Registration Fees	9,246	16,078
Staff training	7,628	-
	<u>1,769,199</u>	<u>2,756,082</u>
Grant funding of activities (see note 8)	29,920	29,131
Share of support costs (see note 9)	128,021	96,362
Share of governance costs (see note 9)	51,825	576,493
	<u>1,978,965</u>	<u>3,458,068</u>

8 Grants payable

	2023 £	2022 £
Grants to institutions:		
Age UK Carlisle and Eden	<u>29,920</u>	<u>29,131</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	111,086	4,535	115,621	73,019	8,113	81,132
Depreciation	-	-	-	-	318,614	318,614
Accountancy	8,035	-	8,035	9,088	-	9,088
Other office costs	3,280	-	3,280	9,698	-	9,698
Bank Charges	528	-	528	818	-	818
Insurance	3,873	-	3,873	2,772	-	2,772
Motor vehicle expenses	-	-	-	324	-	324
Sundry expenses	970	-	970	386	-	386
Travel expenses	249	-	249	257	-	257
Audit fees	-	5,754	5,754	-	5,595	5,595
Accountancy	-	8,727	8,727	-	11,422	11,422
Legal and professional	-	32,809	32,809	-	46,581	46,581
Redundancy costs (exceptional)	-	-	-	-	157,622	157,622
Professional fees (exceptional)	-	-	-	-	28,546	28,546
	<u>128,021</u>	<u>51,825</u>	<u>179,846</u>	<u>96,362</u>	<u>576,493</u>	<u>672,855</u>
Analysed between Charitable activities	<u>128,021</u>	<u>51,825</u>	<u>179,846</u>	<u>96,362</u>	<u>576,493</u>	<u>672,855</u>

10 Net movement in funds

	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	5,754	5,595
Depreciation of owned tangible fixed assets	87,868	94,933
Impairment of owned tangible fixed assets	-	298,720
Loss on disposal of tangible fixed assets	-	19,894
Operating lease charges	<u>22,162</u>	<u>28,363</u>

11 Trustees

None of the trustees were entitled to or received any remuneration during the year. During the year, no trustees were reimbursed for travelling expenses. Trustees indemnity insurance was purchased by the Trust.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Care, Domestic & Admin staff	79	114
Management Staff	2	4
Total	81	118

Employment costs	2023 £	2022 £
Wages and salaries	1,304,324	2,128,549
Social security costs	94,831	144,262
Other pension costs	26,467	39,035
	1,425,622	2,311,846

During the year £nil (2022: £109,244) was paid as redundancy and £nil (2022: £48,378) was paid as lieu of notice to staff members who were made redundant, this has been included in wages and salaries.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000-£69,999	-	1

13 Net gains/(losses) on investments

	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Revaluation of investments	(39,054)	(824)	(39,878)	18,265	11,748	30,013
Gain/(loss) on sale of investments	(530)	-	(530)	-	-	-
	(39,584)	(824)	(40,408)	18,265	11,748	30,013

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2023 £	2022 £
In respect of:		
Property, plant and equipment	-	298,720

16 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Equipment (Energy Generating)	Total
	£	£	£	£	£
Cost					
At 1 April 2022	885,766	277,751	235,502	666,505	2,065,524
Additions	-	-	19,762	-	19,762
Disposals	-	(277,751)	(52,097)	-	(329,848)
At 31 March 2023	885,766	-	203,167	666,505	1,755,438
Depreciation and impairment					
At 1 April 2022	96,386	277,751	109,980	94,077	578,194
Depreciation charged in the year	28,210	-	21,793	37,865	87,868
Eliminated in respect of disposals	-	(277,751)	(52,097)	-	(329,848)
At 31 March 2023	124,596	-	79,676	131,942	336,214
Carrying amount					
At 31 March 2023	761,170	-	123,491	534,563	1,419,224
At 31 March 2022	789,381	-	125,521	572,427	1,487,329

17 Investment property

	2023 £
Fair value	
At 1 April 2022 and 31 March 2023	1,250,000

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Investment property

(Continued)

The trustees have considered the valuation of the land and buildings surrounding, but not occupied by, the Rosehill Residential Home, with advice from their land agents. The trustees have estimated the value of investment land and buildings to be in the region of £1,250,000. This valuation is based on an estimated price per acres for the agricultural land and expected yield basis for the property

	2023 £	2022 £
Freehold	1,250,000	1,250,000
Long leasehold	-	-
Short leasehold	-	-
	<u>1,250,000</u>	<u>1,250,000</u>

18 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	608,133
Valuation changes	(39,877)
Disposals	(130,529)
	<u>437,727</u>
At 31 March 2023	<u>437,727</u>
Carrying amount	
At 31 March 2023	<u>437,727</u>
At 31 March 2022	<u>608,133</u>

All investments shown above are held at valuation.

Fixed asset investments revalued

All investments have been valued at fair value being their market value at the Balance Sheet date, for the COIF funds this has been provided by the fund at the year end date.

This historic cost of the investments is £373,280 (2022: £505,153)

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	437,727	608,133

20 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	15,893	7,736
Prepayments and accrued income	27,473	23,118
	43,366	30,854

21 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		17,753	63,590
Deferred income	22	189,366	187,604
Trade creditors		35,951	40,132
Other creditors		4,660	5,353
Accruals and deferred income		102,098	118,581
		349,828	415,260

22 Deferred income

	2023 £	2022 £
Other deferred income	189,366	187,604

Deferred income includes fee and rental income relating to the following year but received in advance and a land option fee for the sale of a parcel of land which is expected to complete in 2024/25.

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	189,366	187,604
Movements in the year:		

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22	Deferred income		(Continued)
	Deferred income at 1 April 2022	187,604	170,467
	Released from previous periods	(57,604)	(90,467)
	Resources deferred in the year	59,366	107,604
		<u>189,366</u>	<u>187,604</u>
	Deferred income at 31 March 2023	<u>189,366</u>	<u>187,604</u>

23 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities made up as follows:

	Balance at 1 April 2021	Revaluations, gains and losses	Balance at 1 April 2022	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£
Designated Funds	100,675	11,748	112,423	(824)	111,599
	<u>100,675</u>	<u>11,748</u>	<u>112,423</u>	<u>(824)</u>	<u>111,599</u>

The trust has designated funds to enable future, unforeseen, emergency repairs. These funds have been invested with CCLA.

24 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total	Unrestricted funds	Designated funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	1,419,224	-	1,419,224	1,487,329	-	1,487,329
Investment properties	1,250,000	-	1,250,000	1,250,000	-	1,250,000
Investments	326,128	111,599	437,727	495,710	112,423	608,133
Current assets/(liabilities)	(168,210)	-	(168,210)	(187,731)	-	(187,731)
	<u>2,827,142</u>	<u>111,599</u>	<u>2,938,741</u>	<u>3,045,308</u>	<u>112,423</u>	<u>3,157,731</u>

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	21,581	17,490
Between two and five years	82,338	69,961
In over five years	36,244	51,555
	<u>140,163</u>	<u>139,006</u>

26 Other financial commitments

The trust has entered into a 3 year agreement with Age UK Carlisle and Eden for them to provide information and advice to residents in Carlisle. This runs until June 2025. Expected expenditure in the next year is £30,158 and within 2-5 years is £37,698.

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>55,983</u>	<u>122,616</u>

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity.

THE HENRY LONSDALE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

28	Cash generated from operations	2023 £	2022 £
	Deficit for the year	(218,990)	(646,789)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(33,296)	(36,068)
	(Gain)/loss on disposal of tangible fixed assets	-	19,894
	Loss on disposal of investments	530	-
	Fair value gains and losses on investments	39,878	(30,013)
	Depreciation and impairment of tangible fixed assets	87,868	393,653
	Movements in working capital:		
	(Increase)/decrease in debtors	(12,512)	40,603
	(Decrease)/increase in creditors	(67,196)	5,685
	Increase in deferred income	1,762	17,137
	Cash absorbed by operations	(201,956)	(235,898)
29	Analysis of changes in net funds		
	The charity had no debt during the year.		

THE HENRY LONSDALE TRUST

England & Wales - Charity number 1168707

Accounts

CHARITY REGISTRATION NUMBER: 1168707

The Henry Lonsdale Trust
Financial Statements
31 March 2022

SAINT & CO

Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

The Henry Lonsdale Trust

Financial Statements

Year ended 31 March 2022

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The Henry Lonsdale Trust

Trustees' Annual Report

Year ended 31 March 2022

The trustees present their report and the financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	The Henry Lonsdale Trust
Charity registration number	1168707
Principal office	Rosehill Residential Home Aglionby Carlisle CA4 8AA

The trustees

C Bowditch
J Riddle (Vice-Chairman)
J Mallinson (Chairman)
J Leith
J Bell
C Stothard
A McKerrell

Auditor	Saint & Co Chartered Accountants & statutory auditor Sterling House Wavell Drive, Rosehill Carlisle, Cumbria CA1 2SA
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Bankers	HSBC Plc English Street Carlisle Cumbria CA3 8JX
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The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Solicitors

Burnetts Solicitors
Victoria House
Wavell Drive
Rosehill
Carlisle
CA1 2ST

PREAMBLE

The Trustees' Annual Report covers the activities of the CIO over the period of 12 months to the 31 March in each year marking the financial year end. The CIO has since 1991 operated two residential homes for the elderly; Rosehill and Barn Close. Towards the end of the period covered by this Annual Report, Barn Close was formally closed on 23 March 2022, and formally de-registered with effect from 24 March 2022. As from that date, the CIO has operated a single home for the elderly, Rosehill.

In view of the fact that for virtually the whole of the period covered by this Annual Report, the CIO operated two residential homes for the elderly, the Report will refer to "homes" in the plural. The Report should however be read in the context that since the 24 March 2022 the situation has changed, Barn Close has closed, and the CIO now operates a single Home, Rosehill, as from the 24 March 2022.

Structure, governance and management

1.1 Trustees

The Trustees who served during the year, all of whom are volunteers, were as follows:

Mr J Mallinson (Chairman)
Mrs J Riddle (Vice Chairman)
Mr J Bell
Mrs C Bowditch
Ms J Leith
Mrs A V McKerrell
Mr C Stothard

1.2 The Governing Document and the Constitution of the CIO

The CIO is a charitable incorporated organisation and is governed by a constitution dated 10th August 2016. It was set up to take over from The Henry Lonsdale Charitable Trust (charity number 508840). The transfer of the assets from the predecessor charity to the CIO took place on 31st October 2018. The charitable purposes of the CIO are identical to those of the unincorporated charity. The Henry Lonsdale Charitable Trust was formally merged with the CIO on the 5 October 2020 and the predecessor Trust ceased to exist from that date.

The information in this Trustees' Report relates to the period from 1 April 2021 to the 31 March 2022, the third full year of operation of the CIO.

1.3 Appointment of Trustees

There should be not less and not more than three appointed Trustees; and not less and not more than four Nominated Trustees. Cumbria County Council or any successor body which has responsibility for adult social care ("the appointing body") is entitled to appoint four Nominated Trustees, each appointment being for a term of three years.

Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

a resolution passed at a properly convened meeting of the Charity Trustees. In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

All newly appointed Trustees undertake induction and training as appropriate to their needs. This includes guided visits to the Homes operated by the CIO and to its administrative headquarters to view the properties, meet the residents and staff and become familiar with the aims of the CIO and its ethos. Additionally, new Trustees are provided with a copy of the most recent Annual Report of the CIO and are sent copies of its policies and procedures relating both to residents and staff. When a Trustee's term of appointment expires, assuming he/she is willing to continue to act and remains eligible to do so, the Trustee is asked to confirm that there has been no change in his/her circumstances which would affect his/her ability to act as well as confirming that he/she is able to take up re-appointment from the relevant date.

A compliance file in respect of each Trustee is held at each Home. Enhanced Disclosure and Barring Service checks are obtained in respect of each Trustee.

On 9 March 2022, Cumbria County Council re-appointed the four existing Nominated Trustees for a further term of three years on expiry of their current terms in 2022. These appointments were confirmed by the Trustees of the CIO at their meeting on 7 June 2022. At the same meeting, the Trustees re-appointed two existing Appointed Trustees for further terms of three years on expiry of their current terms in 2022. The net effect is that the six re-appointed Trustees will hold office until dates in 2025. Under the current constitution of the CIO, this will be their final terms of office.

The Trustees of the CIO are actively considering succession planning to provide for a measured and planned transition to the Trustees who will follow.

1.4 Organisational and Decision-Making Structure

The CIO's two residential homes were each managed by a Registered Manager to whom operational decisions are devolved. Ultimate responsibility rests with the Trustees, who take all decisions, related to the policy and strategy of the CIO.

All matters requiring Trustee consideration and/or decision are brought to meetings of the Trustees. Trustees meet as and when required, but typically there is a quarterly meeting schedule.

1.5 Risk Management

The major risks to which the CIO is exposed, as identified by the Trustees, have been subjected to detailed consideration. Systems and procedures have been established to mitigate those risks.

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2022

Objectives and activities

2.1 The Object of the CIO

The object of the CIO is the relief of needy elderly people in one or more of the following ways

- by the provision and maintenance of a Home or Homes for elderly persons of limited means;
- by the provision of day and respite care centres for elderly persons of limited means;
- by the provision of financial assistance and other services for elderly persons of limited means who require those services or assistance by reason of their age and limitation of means.

2.2 The Aims of the CIO

The principal aim of the CIO until recently has been to provide high quality, professional residential care at two Homes for elderly persons of limited means at Rosehill and Barn Close, Carlisle. When it became actively operational (on 31 October, 2018) the CIO became responsible for the ongoing management of the Homes and the Care Quality Commission ("CQC") license transferred to the CIO.

Access to the CIO's Homes has been available to all elderly persons in respect of whom, following formal assessment, the CIO is satisfied that it can provide the appropriate level and type of care that the Home in question is registered to provide. Decisions as to admission to residence are made regardless of such matters such as personal background, faith or personal circumstances. Access to the facilities provided within the Homes is similarly 'open to all'. Through those activities, the CIO seeks to care for such elderly persons and enhance the quality of the later stages of their lives. The care provided by the CIO is thus related to the particular needs of its beneficiaries and to the CIO's aims.

The CIO's aims are, therefore, capable of being charitable in that they fall within the descriptions of purposes in the Charities Act 2006: relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

The Trustees have had regard to the Charity Commission's guidance on public benefit and are satisfied that the principles of public benefit set out by the Charity Commission are met:

Principle 1: an identifiable benefit or benefits

The benefits are the provision of accommodation and care to elderly persons. The operation of a care home is a legitimate means of relieving the needs of the aged and/or infirm. Those benefits are related to the CIO's aims in that they arise as a direct result of the CIO pursuing its charitable aims. The care provided by the CIO is related to the particular needs of its beneficiaries and to the CIO's aim and all beneficiaries are assessed for care need before entering one or other of the CIO's two Homes.

There is no evidence of any (let alone significant) detrimental or harmful effects arising from the CIO carrying out its aims.

Principle 2: benefit must be to the public or a section of the public

The CIO's primary beneficiaries are the residents in its Homes. They are "needy" and "elderly". The beneficial class is, therefore, clearly appropriate to the charitable aims of the CIO as there is an obvious connection between the aim and the residents who are in need of care. Barn Close closed on the 23 March 2022. There had ordinarily been 76 residential placements available across the two homes; 40 EMI beds at Rosehill and 36 physically frail at Barn Close. Anyone who, by reference to the registration requirements of the respective Homes, was eligible to become a resident will be considered for residence.

The CIO also provides support to beneficiaries who are not resident in the Homes by way of grant funding, to support the activities of Age UK Carlisle and Eden (see 2.6 below).

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

The opportunity to benefit is not unreasonably restricted. Indeed, the only restriction derives from the object of the CIO, which is directed at people who are "needy" and "elderly".

Geographical restriction: There is no express geographical restriction in the stated objects of the CIO that is applied to the opportunity to benefit. In practice, for obvious reasons, most of the residents are people from Carlisle. The CIO does, however, accept into its Homes residents from elsewhere in the Country. This typically arises where members of the resident's family are themselves resident in or around Carlisle.

Residents' needs: As mentioned above, residents are only admitted to one or other of the two Homes following an assessment of their needs so as to ensure that the particular Home can provide adequate care. The need for care of each beneficiary is assessed at the time of admission. The CIO does not provide access to residence for those in need of full medical or nursing care as it is not registered to provide such care.

Charges: While the CIO does charge fees, seeking contributions to fees for residential care is expressly provided for in its founding charitable Scheme. For many years the CIO adopted, as the fee that it would seek from all residents, the fee set from time to time by Cumbria County Council as the fee that it, as Social Services Authority, paid to the CIO in respect of those residents who were funded by that Council.

In the year ending 2016, the Trustees decided with some reluctance and following consultations with residents and their families, that as a result of continuing and increasing financial pressures on the sector, the weekly fee charged to privately-funded residents would be increased by a supplement over the fee paid by the County Council in respect of Social Services funded residents.

The Trustees resolved at their meeting on the 5 February 2020 to increase the supplement top up fee payable by privately-funded residents to £100. On 1 March 2022, the Trustees resolved to increase the supplement top up fee payable by privately funded residents to £150 per week with effect from 1 April 2022.

Local authority funding can be available to meet the full fees of prospective residents who are unable to pay from their own resources. There are therefore opportunities for which those who are unable to afford the charges sought by the CIO can benefit from the CIO's provision. As such, there is no restriction based on ability to pay.

Thus, taking into account what is reasonable and appropriate in the circumstances, the Trustees are satisfied that the CIO does provide sufficient opportunity to benefit in a material way for those who cannot afford the financial contributions that it seeks from its residents towards the provision of care and facilities as provided in its founding Charitable Scheme.

Taking together the above considerations, the Trustees are satisfied that the restrictions on people who have the opportunity to benefit are rational and justifiable and that the opportunity to benefit is not unreasonably restricted by geographical or other factors.

The CIO does not provide private benefits to people other than its beneficiaries.

2.3 The Objectives of the CIO

In setting the objectives for the CIO and planning its strategies and activities referred to in this Report, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The principal objectives of the CIO can be summarised as follows:

- provision of high quality, professional residential care;
- enhanced training for all staff;
- open and accessible management and dialogue with staff;

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2022

- introduction of appropriate staff policies and training;
- improvement, refurbishment and maintenance (planned and reactive) of its two Homes.

2.4 The Strategies of the CIO

During normal years, the CIO's strategies for achieving the above objectives during normal years include, for example, providing staff with such training as is necessary and appropriate both 'in-house' and through relevant external providers. The CIO's policy aim is to try to exceed the requirement of the Care Standards Act 2000 and the expectations of the Care Quality Commission ("CQC") by encouraging all care staff to achieve at least the Health Social Care Diploma Level 2. The CIO similarly aims normally to ensure that suitable training is provided for its administrative staff who are encouraged to pursue relevant courses of training. It is through a combination of the material environment and the training of staff that quality residential care is provided to the residents.

The situation since March 2020 has been far from normal due to the COVID 19 epidemic. The effects of COVID 19 have, by common consent, been amongst the most acute on those operating within the residential care sector. The primary goal has had to be the health and safety of the residents and staff which, for obvious reasons, has impacted on the hitherto normal training opportunities. The CIO did appoint an in-house trainer on the 6 April 2021 but due to the COVID 19 emergency she had to focus on front line care work. She has since left. The CIO will continue to aim to provide the best training which the situation and the environment permits. As the situation with COVID 19 continues to ease this will allow greater opportunity to focus on training again.

2.5 Significant Activities

The nature of the CIO is not such that it undertakes, in particular years, specific programmes or projects to achieve its objects and further its aims. Rather, the role and activities of the CIO are more ongoing in nature, reflecting the respective needs of the elderly persons for whom it provides care. The significance of the activities of the CIO, therefore, is that it continues to provide high quality care rather than that it undertakes any 'one-off' programmes or projects of particular importance during any particular year.

The Trustees do aim to continue to enhance the service on an ongoing basis. During the Year in question the ability to do so was severely affected by the COVID 19 virus. The inability to recruit and retain staff led to the decision to close Barn Close. The easing of COVID 19 pressures is now evident and, though it is right to be cautious, the position with regard to Rosehill remains manageable and optimistic.

2.6 Grant-making Policy

The original object of the CIO was directed at the provision of a residential care home. That object was amended in 1992 to include the relief of needy elderly people by the provision of financial assistance.

In accordance with this amendment the Trustees agreed, in 2016, to make a grant to Age UK Carlisle and Eden to fund a Carlisle-based Information and Advice Officer, employed by that Charity, for a period of three years expiring on the 30 June 2019.

The Trustees then agreed to make a further grant to Age UK Carlisle and Eden in the order of £86,740 to continue the service for a further period of three years commencing on the 1 July 2019. This was renewed to the 30 June 2022, and has now been renewed again in similar terms to the 30 June 2025.

As that is the only grant made by the CIO, it does not have a formal grant-making policy. Instead, the Trustees maintain close scrutiny of the service provided by receiving regular reports of its activities.

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2022

Achievements and performance

3.1 Charitable Activities: Performance against Objectives

(i) Formal assessment

As mentioned above, the key objective of the CIO is to provide high quality, professional residential care. The best measure of whether the performance of the CIO achieved that objective can be drawn from the reports of formal inspections undertaken from time to time at the Homes by CQC, and from less formal ongoing liaison with the CQC. The Registered Managers have maintained good links with the CQC and Cumbria County Council (the Social Services Authority) and enjoyed positive feedback in the process.

The Trustees normally have a system of monthly rota visits to the Homes resulting in each of the Trustees undertaking two visits at each of the Homes during the year. This arrangement had, for obvious reasons, to be suspended during the Year in question because of COVID 19 but is now cautiously being restored. The Chair and Vice Chair of the Trustees remained in close contact with the Registered Managers during the Year offering their close support.

(ii) Informal assessment

Less formal measures of the extent to which the CIO's performance achieves its objectives can be drawn, first, from the fact that places within the Homes have been much sought after either by potential residents themselves or their families and professional carers and, secondly, from the many letters of appreciation that are received.

Slightly more formally, the Managers would from time-to-time issue Quality Assurance Questionnaires to residents, relatives, visitors and representatives of relevant professional agencies. A good return of the questionnaires is normally achieved with the vast majority of responses being very positive and complimentary. Negative comments have rarely been made but any that are received are swiftly looked into and resolved.

During the Year in question, visiting had to take second place to the need to prioritise the health and safety of residents with the result that the opportunity for visitor feed-back was significantly limited. The opportunity for feedback should improve as restrictions continue to ease. Nevertheless, the efforts of all staff in very difficult circumstances were very much appreciated by residents and their families alike, as well as by the Trustees.

(iii) Other achievements

Additionally, the Trustees consider that the following achievements are worthy of particular mention.

These apply in normal years and were followed as much during the Year in question only in as much as the COVID 19 situation allowed. In some cases, because of the need to protect the well-being of residents and staff, the opportunities during the Year in question were very limited.

Residential Care

(a) Central to the activities of the CIO was the wish to continue provision of two high quality Homes for elderly people to the North (Barn Close) and East (Rosehill) of Carlisle. Unfortunately, it did not prove possible to continue to operate Barn Close which closed in March 2022 as another high profile casualty of COVID 19 in the residential care sector.

High quality care is of increasing importance given the increasing frailty of residents coming into residential care. This remains the standard aim for the provision of care at Rosehill going forward.

(b) The CIO continues to embrace the standards for care homes laid down by the Health and Social Care Acts

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2022

2008 and 2012 to the benefit of its residents, and complies with a standard contract with Cumbria County Council, which regulates residential care services provided by the CIO.

(c) The fabric of the Homes is maintained in keeping with the high standards of care provided for the residents by the CIO and its employees. The Trustees keep this under regular review and approve funding for refurbishment across both Homes as and when a potential and/or actual need is identified. The opportunities during the Year in question were more limited for obvious reasons.

(d) Improved and innovative activity programmes and measures to provide enjoyment and stimulation for residents and their carers at both Homes have always received a high priority. Unfortunately, due to COVID 19, the ability to do so was severely affected during the Year in question but innovative and compensatory events were arranged.

(e) The CIO has continued its policy (unlike many other residential care homes) of not charging residents for basic toiletries.

(f) Residents at both Homes have continued to present as being increasingly frail thus needing extra support from staff. Unsurprisingly, this has led to an increased call on the time and expertise of staff to ensure that the requisite standards were maintained and this has been carefully and appropriately managed.

Staffing

(a) One of the major problems facing the residential care sector as a result of COVID 19 has been that of recruitment and retention of staff. The reasons for this will no doubt be the subject of formal and detailed enquiry in due course, but there is no doubt that having to work for over two years under high pressure conditions due to COVID 19 has taken its toll of staff. It has been well reported in the press generally that staff have been leaving the residential care profession for less stressful occupations. This has led to a crisis in the residential care sector with many homes closing.

(b) The usual mechanisms for supplementing labour shortages is no longer there. The pool of those interested in working in the profession has severely contracted. Agencies have not been able to provide sufficient personnel of the right calibre and even where this is a possibility the cost is high. Access to a foreign workers has not been remotely as easy as it was in the past due to Brexit.

(c) During the Year in question, both Rosehill and Barn Close experienced significant pressures on staff numbers and morale. It proved possible to manage the situation at Rosehill with thanks in no small measure to the commitment of existing staff. The closure of Barn Close allowed for some staff to transfer to Rosehill. The crisis in residential care staffing generally is bottoming out and so, for the reduced number of care homes which remain, the problem of recruitment seems to be less acute than it was.

(d) The Trustees approached the staffing crisis at Barn Close responsibly and with the degree of urgency which the situation demanded. The first step was to try to explore all options which would enable Barn Close to continue in operation. This included close liaison with CQC and Cumbria County Council. It included consultation with staff, residents and their families. It included consideration of a potential third party interested in taking on the undertaking. It included considering alternative models of operation such as a reduced sized operation operating with less residents and staff. It was only after all possible options had been explored and all consultations had been concluded that a formal decision was made that Barn Close should close. Once the decision was taken, all requisite notices were issued and the governing principle was to manage the transfer of remaining residents to alternative accommodation in as sensitive and understanding a way as possible. The same applied to securing the commitment of staff to continue to work at Barn Close for as long as there was a need to facilitate this process.

(e) During the Year in question, the opportunities for staff training and education (both externally and internally) were severely impacted by reason of the COVID 19 emergency. The priority remained to protect the health and wellbeing of residents and staff. The aim remains to maintain a standard of excellence of service by

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2022

good training and education for staff as the COVID 19 situation permits

(f) The CIO had, until March 2022, two Registered Managers; one for each Care Home but who acted jointly in relation to day-to-day management issues affecting the CIO as a whole. They were each answerable in relation to the budgets for their respective Homes and had power to spend up to £5,000 on a single item or a combination of related items; albeit with spending monitored by the Chair.

(g) The maintenance of an effective administration system falls within the remit of the Senior Administrator previously under the supervision of the two Registered Managers but, going forward, under the sole Registered Manager

(h) The CIO considers training of staff to be an important priority. The CIO has previously set a target that all care staff (as opposed to the 50% referred to in the National Minimum Care Standards) should be trained to the Health and Social Care Diploma Level 2 (which replaced NVQ Level 2 in January 2011). The priorities of dealing with the COVID 19 emergency have inevitably meant a deflection from the priority of training but it remains a renewed goal going forward as pressures ease and flexibility increases.

(i) Additionally, one Domestic Assistant has achieved the Level 1 qualification, and all Care Officers have achieved at least the former NVQ Level 3 award. Due to recruitment difficulties, the Trust has relaxed its requirement that all newly appointed night care staff should already hold the Level 2 qualification, and in contrast to previously, neither Deputy Manager currently holds an NVQ level 4 or Residential Manager's Award. All employed staff who do not have an NVQ2/Diploma level 2 are required to undertake the Care certificate, and are given the opportunity to gain an NVQ/Diploma in Health and Social Care. A policy of continuous staff improvement remains a high priority.

(j) More generally, ongoing mandatory and other training has been provided to staff in respect of, for example, first-aid, fire prevention and fire warden, challenging behaviour, dementia awareness, bereavement awareness, a CHESS (Care Home Effective Support Service) education programme, control of infection, nutrition and malnutrition, safeguarding vulnerable adults, safe handling and administration of medication, food hygiene, handling and lifting, end of life care, palliative care and equality and diversity. Additionally, the few staff who do not hold Health and Social Care Diploma complete the Care Certificate qualification. All in all, there is no member of the CIO's staff who has not participated in some form of training during the year. The practice of 'Train the Trainer' (whereby key staff attend external training and then roll out or 'cascade' what they have learned to other staff) has been particularly beneficial in that when staff who have been trained then provide training to other staff, money that would have been spent on an external training provider is saved and, importantly, the training is better suited to the staff as it is focused upon their working environment.

(k) The CIO has traditionally been considered to be a good employer, and its wage and salary structure has normally found it operating at above average for the industry. During the year in question, and in response to the recruitment and retention-of-staff crisis, in November 2021 the Trustees increased the hourly rate of pay by £1.20 as a temporary measure until the end of March 2022. In March 2022, the Trustees confirmed that the increase would remain permanent to dovetail with the increases in the National Living and National Minimum Wages coming into force on the 1 April 2022. The Trustees paid staff a Christmas Bonus, and offered a loyalty incentive to Barn Close staff to stay for as long as there was a need for their services prior to closure to ensure adequate care for residents transitioning to other establishments. Staff remuneration was not the reasons for the problems of staff retention and recruitment at Barn Close.

(l) The position during the Year in question meant that working conditions for staff due to COVID 19 continued to be extremely challenging and difficult, from having to wear uncomfortable PPE to having to work within a constrained and isolated environment. Overall, staff responded magnificently but the situation only exacerbated the problems of recruitment and retention of staff.

(m) The reduction in private sector providers willing to service local authority clients has also meant that there

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2022

is increasing competition between those providers that remain for the best staff, and the CIO has not been immune to approaches made to its staff by others in the sector. The overall effect of these trends has made the CIO less of a preferred choice than has previously been the case.

(n) There was some dissatisfaction expressed by certain staff with the management at Barn Close, but this did not echo the esteem with which the Home was regarded by CQC, Cumbria County Council, the residents and their families. Indeed, there was strong pressure from some residents and their families during the consultation process to keep the Home open because of the excellence of the service it provided. It would be fair to say that Barn Close was regarded as one of the best Homes in the region, and the news that it was joining several other homes in closing indicated just how serious and industry-wide the problem of recruitment and retention has been.

(o) The CIO has participated in the Care Apprentice Scheme to the mutual benefit of the CIO and the individuals concerned.

(p) The CIO had been looking to expand its in-house maintenance provision, but the closure of Barn Close and the halving of the overall operation of the Trust has resulted in the Trustees undertaking a comprehensive review of needs going forward. This is ongoing.

(q) During the year in question, the CIO continued to be serviced and advised by its professional advisors in their respective fields of expertise. At its meeting in June 2021, and after considering the options, the Trustees decided to award a three year contract to a new external provider for an HR and Health and Safety Service. The new provider proved unable to respond with sufficient urgency to the needs of the CIO as 2022 progressed and the arrangement was brought to an end. By agreement, the previous provider agreed to resume providing a service for a period of one year until October 2022 when the position will be reviewed.

Finance and Administration

(a) The previously improved arrangements with regard to setting an annual budget and then carefully monitoring expenditure against that budget have been continued.

(b) Financial contributions from residents towards their care have been maintained in line with the policies of Cumbria County Council, although (as described above) the weekly supplement charged to privately-funded residents in excess of the amount paid by Cumbria County Council for Social Services residents was reviewed and further amended effective from 1 April 2022. In this regard, consideration is given at all times to the charitable status of the CIO and its objects.

(c) The Trust's Financial Statements have continued to be professionally audited with nothing untoward being noted in respect of either income or expenditure. The Trust made a deficit of £646,789 for the year ending 31 March 2022.

(d) The Trustees have continued to attend to various matters pursuant to SORP 2015: for example, Risk Assessment, Investment Policy and Policy on Reserves.

(e) The Trustees continue to review the investment strategy with guidance and information from their Investment Adviser. (See further details below).

(f) In October 2017, the Trustees undertook a financial review of Trust priorities as a result of the growing discrepancy between the real costs of providing residential care and the fees charged. This differential resulted from a number of external factors; not the least of which was the more restricted contributions which the local authority felt constrained to make in relation to its nominated residents. This resulted in policy changes to the fee structure and the payment of a supplement by private fee paying residents.

(g) The rate paid by local authorities for residents placed by them with third party residential care providers has become increasingly problematical, and increasingly divorced from the real cost of providing care for such

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

residents. This has resulted in no small measures to investors leaving the residential care sector and homes closing. This creates an increasingly scarce resource set against an increased demand for that resource. This, in turn, leads to increased costs as providers compete for the dwindling number of staff in the market.

(h) The CIO is a charity and is not required to make a profit. Its duty is to fulfil the aims of the Trust making decisions which are designed to best achieve the aims of the Trust and meet the needs of the beneficiaries. The provision of residential care for the elderly in need is only one of the permitted purposes under the Trust. Going forward, the Trustees will keep under close review the question of how best to achieve the aims of the Trust to the maximum the benefit to the beneficiaries.

(i) The Trustees keep under review the rates of pay payable to staff, and the terms and conditions employment, with the aim of being a good and fair employer within the sector.

Property & Premises

(a) The Trustees have continued their stewardship of the CIO's buildings and estate through an ongoing programme of refurbishment and building maintenance.

(b) The Trustees have continued to address a number of other property-related issues away from the main estate comprising, until March 2022, the two Homes but now only the Rosehill Home.

(c) The property, Barn Close, had been leased to the Trust by Cumbria County Council in 1991. Following the decision to close Barn Close, and in accordance with the terms of the lease, the County Council accepted a surrender of the lease from the CIO. The property and keys have accordingly been returned to the County Council.

(d) The Trustees entered into an Option Agreement in 2015 with a local housing developer to sell part of the CIO's investment land and took advice from specialised Chartered Surveyors to ensure the Trust's interests were maximised. This progressed more slowly than expected with the planning process still incomplete by the expiry of that option, and the developer renewed the option.

2021 saw a change in market conditions which allowed the developer to proceed with its plans and seek to agree a purchase of the land. The Trustees took professional advice for the purpose of the negotiations and at a specially convened meeting of the Trustees on 20 April 2021, the Trustees approved the terms for the sale of the land to the developer. The current target, subject to planning permissions etc, is to complete the sale by the end of the first quarter of 2022.

The sale has not yet been completed. The purchaser is currently addressing newly introduced statutory considerations with the local planning authority which look like delaying the revised completion date of September 2022. The Trustees receive regular reports on progress and completion is not expected for a number of months yet.

3.2 Investments: Performance against Objectives by the Trustees

(i) Objectives

The Trustees long standing objective for its investments has been to try to protect the value of the Trust's capital whilst aiming for some capital growth and a competitive income. The Trust had previously invested principally in two funds: CCLA and Premier Asset Management. The investments were largely a mix of different asset classes including shares which, understandably, resulted in occasional volatility from time to time. The need for astute financial management has become even more acute, firstly, because of the recent history of low interest rates, and secondly (and more up to date), because of the likely impact of COVID 19 and the impact on investments. The need for good advice is even more acute given the forecast that recession is imminent and expected to last until the end of 2023.

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Trustees have taken regular guidance from their investment adviser as and when cash is needed and/or when investments reach their maturity date. In 2018/2019, the advisor advised a change in the investment portfolio. He recommended investments in three funds, a Defensive Income Securities Fund, a Social Freehold Fund and a Commercial Freehold Fund, and the Trustees considered and accepted his advice in that respect.

In the course of 2019/2020, the adviser invested the funds with Time Investments in accordance with his recommendations and the Trustees approval. He provides regular reports on their performance to the Trustees at their quarterly meetings for their consideration and review.

3.3 External Factors

There are a number of factors outside the CIO's control, which are relevant to the achievement of its objectives. These include relationships with employees, residents, their families, other carers and professionals, Cumbria County Council (as social services authority), social workers and other employees of that Council and the CIO's position in the wider community. It is pleasing to note that the relationships with all these individuals and organisations are good.

The CIO maintains close contact with the Care Quality Commission (CQC) from whom it receives very good and positive feedback, and which is always available for advice and support.

As mentioned above, a particular influence of the County Council is that it fixes the fees that it will pay towards the care and accommodation provided by the CIO to residents supported by that Council. The CIO is not in a position to influence the level of fee that is set by the County Council. This fee also impacts upon the contribution that is sought from all other privately funded residents towards the costs of their residence as it provides the base level to which is added the supplement payable by privately funded residents.

The concern remains that as the aged population increases, and the likely number of those needing residential care in the future also significantly increases, the gap between what the County Council is willing and/or able to pay, and the actual cost of providing care is likely to grow wider. This will require the Trustees to keep under careful review whether maintaining a residential care home remains the best and/or most cost effective way of meeting the aims of the Trust.

Financial review

4.1 Reserves Policy

A detailed breakdown of the CIO's funds is contained in the Financial Statements with a narrative at notes 26 and 27.

Total funds of £3,157,732 were held at the year-end of which £1,487,330 can only be realised by disposing of tangible fixed assets or investment property. As Note 26 explains, within the unrestricted funds, the Trust had designated funds of £112,423 as at 31 March 2022. This was to make provision for and enable any future unforeseen emergency repairs. After accounting for the above, this leaves unallocated reserves which are available for use by the CIO totalling £1,557,979.

Unallocated reserves are available for use by the CIO totalling £1,557,979. The policy of the CIO is to attempt to maintain sufficient unallocated reserves representing approximately one year's total operating costs (which this year amounted to £2,594,286 (excluding depreciation and exceptional costs)) on the basis of the time that might be necessary to reconstruct the residential Homes following a major incident and the costs relating thereto, particularly in connection with the temporary accommodation of residents.

The level of reserves is monitored and reviewed by the Trustees as necessary and at least once each year.

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

4.2 Principal Funding Sources

The CIO's principal source of funding was the contributions that were received from residents (or from local authorities on behalf of residents) towards the fees of providing them with accommodation and care. The whole of the CIO's expenditure in the year has supported the objectives of the CIO principally the key objective of providing high quality residential care. The greater part of the expenditure is directly related to the provision of such care (primarily staff wages and salaries) with lesser amounts (such as in relation to staff training, maintenance of the fabric of the Homes and management and administration of the CIO) being indirectly related to that objective. As already described above the CIO does make a grant award to Age UK Carlisle and Eden to support for non-residential beneficiaries.

During the current and prior year the CIO did not carry out any significant fundraising activities.

4.3 Investment Powers

The Scheme authorises the Trustees to make and hold investments using the general funds of the CIO. At 31 March 2022, investments of £5,153 at cost were held with COIF charities investment fund, and £500,000 in other investments (i.e. portfolio and long-term savings). Under the terms of the Statement of Recommended Practice, Accounting by Charities, the investments were revalued and as at 31 March 2022 stood at a total market value of £608,133. This comprised listed investments at nil and other investments at £608,133.

4.4 Indemnity Insurance

The CIO purchased trustee indemnity insurance as part of their main insurance policy, and therefore the trustees have been unable to determine the associated cost this year.

4.5 Policy Considerations

The Trustees are always mindful of their obligations as trustees to act in the best interests of the CIO and to meet the CIO's objectives. Trustees have been very alert to the increasing financial pressures in the sector and have stressed the importance of careful scrutiny of expenditure. In July 2017, the Trustees reiterated those aims by formally adopting the principle of looking at best value from the Trust's service providers, and that policy has continued to be implemented to date.

It was mindful of these policy considerations which led the CIO to review the operation of Barn Close and the impact of this on the current and future operation of the Trust. The chronic situation with regard to retention and recruitment of staff, and the continuing day to day pressures on staff arising from the need to protect against the effects of COVID 19, instigated a comprehensive consultation process. The outcome was the decision that Barn Close should close and this was effected in March 2022.

Plans for future periods

In looking to the future, it is necessary to put the future in the context of the recent past.

The history of the CIO shows that it acquired its second residential Care Home (Barn Close) in 1991 and that it increased the provision of residential care at its first Care Home (Rosehill). In the time that followed, the CIO continued a phase of consolidation and stability. Its fundamental aim was to pursue, on an ongoing basis, its principal activity of providing high-quality residential care. In due course, the CIO added to its activities the making of a grant to Age UK Carlisle and Eden to provide a counselling and advice service to the elderly.

COVID 19 first appeared and caught the tail end of the reporting year 2019/2020 such that its impact on that reporting year was negligible. That position changed in year 2020/2021 when COVID 19 had a severe impact on the residential care sector. The two Homes were expertly managed by their managers and dedicated staff such that it was a long time into 2020 before the first cases of COVID 19 affected some of the staff. Isolated incidents notwithstanding, good and effective management of the two Homes against the virus remained the order of the day.

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Having said that, the confidence of the general public in the care home sector and its ability to protect against COVID 19, was undoubtedly dented. Despite the good record of both Homes on the COVID19 front, the general public loss of confidence led to some decrease in enquiries and applications for physically frail places at the Barn Close home. This led to the need to make some redundancies at that Home in 2020/2021. The position with regard to the Rosehill Home was that there continued to be a full waiting list for EMI places at that Home.

The overall situation improved with the introduction of the successful vaccination programme first announced in November 2020, followed by the implementation of a booster jab in the latter part of 2021. Much as these improvements were welcomed, they did not mask the fact that staff had to continue to work under very difficult conditions. The Annual Report for 2020/2021 ended by stating that the considerable strain under which staff had had to continue to operate should not be underestimated, nor should the impact of this on recruitment and retention. Those words of caution proved very accurate.

2021/2022 saw an escalation in the problem of staffing in the residential care generally, and resulted in the closure of residential care homes across the country, including Cumbria. The two Homes operated by the CIO were not immune to these problems but, generally speaking, it proved possible, through the dedication of staff at the two Homes and all concerned in the operation of the CIO, to manage the situation for a time. By the Autumn of 2021, however, the staffing problems at Barn Close were beginning to look so acute as to lead the CIO to question for the first time whether there was a viable future for the Home. This began a period of consultation and consideration where the goal was to look at all options which might secure the continued operation of the Home. Unfortunately, the outcome of that process was in the negative and the conclusion was reached by the CIO that all appropriate and necessary steps be taken to allow Barn Close to be closed

The CIO has reverted to operating a single residential care home, Rosehill. In addition to this activity, the CIO continues to fund the work of Age UK Carlisle and Eden with a commitment to making grants for a further three year period to 2025. At the time of this Report, the recent experience of the Rosehill home has been that recruitment and retention of staff has improved

The future for the residential care sector remains uncertain. It remains to be seen whether there will be any further more virulent strains of COVID 19 appearing or whether the situation will continue to be effectively managed by a vaccination programme. There is also concern regarding future funding of local authority placed residents at Rosehill. The disparity between the actual cost and the price which local authorities are prepared to pay has long been a matter of concern, and this has resulted in many private sector homes withdrawing from the sector and leaving the industry.

The CIO is a charity and is not governed by the same profit motive. That having been said, the Charity has a constant duty to act in a way which best meets the needs of the Trust and its beneficiaries. The aim of the CIO is to continue to operate the Rosehill home as it has done since the inception of the Trust. The provision of residential care for the needy elderly is however only one of the permitted activities of the Trust. If the disconnect between local authority funding and the real cost of provision continues to grow, the CIO will need to review whether its purpose can be better and more cost effectively be met through any of the other permitted activities.

The Annual Report for 2020/2021 mentioned that there had been concern with the quality of the GP service allocated by the CCG to the Rosehill Home. The Home and the Trustees have been liaising with the Clinical Commissioning Group (CCG) in relation to this. The CCG put in hand measures to improve the performance of the relevant service and, initially, these had led to certain improvements though there was concern that, at the time of that Report, there may have been signs of some regression. The CIO is not oblivious to the severe impact on NHS services caused by COVID 19. The Home and the Trustees will continue to liaise with the CCG and take whatever steps are open to it to ensure that the best possible service is available to the Home.

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2022

Conclusion

2021/2022 was the most difficult year in the history of the Trust leading to the closure of Barn Close, one of its two residential care homes. This represents a significant reduction in the operation of the Trust. As best as one can forecast at the present time, the future of the Rosehill home looks to be secure. The CIO is conducting a review of all areas of its staffing and operational costs to ensure that these match the reduced scale of operation of the Trust as a whole and provide a cost-efficient service. The CIO will, in addition, keep under review its operational activities to ensure that these optimise meeting the goals of the Trust.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity 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 applicable 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 20 September 2022 and signed on behalf of the board of trustees by:

J Riddle (Vice-Chairman)
Trustee

J Mallinson (Chairman)
Trustee

The Henry Lonsdale Trust

Independent Auditor's Report to the Members of The Henry Lonsdale Trust

Year ended 31 March 2022

Opinion

We have audited the financial statements of The Henry Lonsdale Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

In auditing the financial statements, we have concluded that the trustees' 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 twelve months from when the financial statements are authorised for issue.

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

The Henry Lonsdale Trust

Independent Auditor's Report to the Members of The Henry Lonsdale Trust *(continued)*

Year ended 31 March 2022

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 trustees' report.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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.

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 charity or to cease operations, or have no realistic alternative but to do so.

The Henry Lonsdale Trust

Independent Auditor's Report to the Members of The Henry Lonsdale Trust *(continued)*

Year ended 31 March 2022

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
-

The Henry Lonsdale Trust

Independent Auditor's Report to the Members of The Henry Lonsdale Trust *(continued)*

Year ended 31 March 2022

- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Charity Commission and the company's legal advisors.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Farrer (Senior Statutory Auditor)

For and on behalf of
Saint & Co
Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

20 September 2022

The Henry Lonsdale Trust
Statement of Financial Activities
Year ended 31 March 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	196,733	196,733	202,109
Charitable activities	5	2,498,322	2,498,322	2,585,381
Investment income	6	86,211	86,211	103,868
Total income		<u>2,781,266</u>	<u>2,781,266</u>	<u>2,891,358</u>
Expenditure				
Expenditure on charitable activities	7,8	(2,953,286)	(2,953,286)	(2,837,354)
Other expenditure	11	(19,894)	(19,894)	–
Total expenditure		<u>(2,973,180)</u>	<u>(2,973,180)</u>	<u>(2,837,354)</u>
Net gains on investments	12	30,013	30,013	18,547
Net (expenditure)/income		<u>(161,901)</u>	<u>(161,901)</u>	<u>72,551</u>
Exceptional costs incurred on closure of Barn Close	17	(484,888)	(484,888)	–
Net movement in funds		<u>(646,789)</u>	<u>(646,789)</u>	<u>72,551</u>
Reconciliation of funds				
Total funds brought forward		3,804,521	3,804,521	3,731,970
Total funds carried forward		<u>3,157,732</u>	<u>3,157,732</u>	<u>3,804,521</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 23 to 36 form part of these financial statements.

The Henry Lonsdale Trust

Statement of Financial Position

31 March 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible fixed assets	18	1,487,330	1,734,105
Investments	19	1,858,133	1,828,121
		<u>3,345,463</u>	<u>3,562,226</u>
Current assets			
Debtors	20	30,854	71,457
Cash at bank and in hand		196,675	565,129
		<u>227,529</u>	<u>636,586</u>
Creditors: amounts falling due within one year	21	<u>(415,260)</u>	<u>(394,291)</u>
Net current liabilities		(187,731)	242,295
Total assets less current liabilities		<u>3,157,732</u>	<u>3,804,521</u>
Net assets		<u>3,157,732</u>	<u>3,804,521</u>
Funds of the charity			
Unrestricted funds		3,157,732	3,804,521
Total charity funds	26	<u>3,157,732</u>	<u>3,804,521</u>

These financial statements were approved by the board of trustees and authorised for issue on 20 September 2022, and are signed on behalf of the board by:

J Riddle (Vice-Chairman)
Trustee

J Mallinson (Chairman)
Trustee

The notes on pages 23 to 36 form part of these financial statements.

The Henry Lonsdale Trust

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net (expenditure)/income	(161,901)	72,551
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	94,933	85,665
Impairment of tangible fixed assets	298,720	–
Government grant income	(183,022)	(186,429)
Net gains on investments	(30,013)	(18,547)
Other interest receivable and similar income	(86,211)	(103,868)
Interest payable and similar charges	34	194
Loss on disposal of tangible fixed assets	19,894	–
Accrued income	(34,079)	(162,332)
Exceptional costs incurred on closure of Barn Close	(484,888)	–
<i>Changes in:</i>		
Trade and other debtors	40,603	29,919
Trade and other creditors	56,901	187,788
Cash generated from operations	(469,029)	(95,059)
Interest paid	(34)	(194)
Interest received, Rental income and Other property related income	86,211	103,868
Net cash (used in)/from operating activities	<u>(382,852)</u>	<u>8,615</u>
Cash flows from investing activities		
Purchase of tangible assets	(166,771)	(145,980)
Net cash used in investing activities	<u>(166,771)</u>	<u>(145,980)</u>
Cash flows from financing activities		
Government grant income	183,022	186,429
Movements in HP and finance lease liabilities	(1,853)	(4,659)
Net cash from financing activities	<u>181,169</u>	<u>181,770</u>
Net (decrease)/increase in cash and cash equivalents	(368,454)	44,405
Cash and cash equivalents at beginning of year	565,129	520,724
Cash and cash equivalents at end of year	<u>196,675</u>	<u>565,129</u>

The notes on pages 23 to 36 form part of these financial statements.

The Henry Lonsdale Trust
Notes to the Financial Statements
Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Rosehill Residential Home, Aglionby, Carlisle, Cumbria, CA4 8AA.

2. Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 April 2015.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The CIO meets the definition of a public benefit entity under FRS102.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The trustees believe there were no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

- The trustees have estimated the useful economic lives of the categories of assets.
- The trustees have estimated the fair value of investment land and property, further details are included in note 19 to the accounts.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Fund accounting

The charity's general, unrestricted funds are those available for general 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.

Restricted funds, of which there were none, are those resources where the income and related expenditure are not available for general use, but are to be used in accordance with the specific wishes of the donor or which have been raised by the charity for a particular purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The trustees have discretion to allocate funds to particular resources as they so wish. The aim and use of each designated fund is set out in the notes to the financial statements.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from Social Services Department of Cumbria County Council, relating to the residents fees, is accounted for on an accruals basis.
- Income from private residents is accounted for on an accruals basis.
- Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. • Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes irrecoverable VAT, and is classified under headings of the statement of financial activities to which it relates:

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis as deemed by the trustees.

Value added tax

The charity is not registered for VAT, and Value Added Tax is not recoverable by the charity. As such, it is included in the relevant costs in the Statement of Financial Activities.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are shown as additions; with cost equal to the net book value recognised at the date of transfer to this CIO. Subsequently they will be stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset. The following depreciation rates for assets transferred to this CIO have been applied to the original cost of the assets rather than the transfer value.

Freehold property	-	Over 50 years
Leasehold property	-	Over the period of lease
Furniture and equipment	-	15% reducing balance
Equipment (Energy generating)	-	Over 20 years

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Finance leases and hire purchase contracts

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Defined contribution plans

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered scheme. The contributions are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Termination benefits policy

Termination benefits are recognised as an expense in income or expenditure immediately. Termination benefits are recognised as a liability and expense only when the company is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Miscellaneous donations	–	–	646	646
Donated PPE	13,711	13,711	15,034	15,034
Grants				
Government grant income	183,022	183,022	186,429	186,429
	<u>196,733</u>	<u>196,733</u>	<u>202,109</u>	<u>202,109</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

4. Donations and legacies *(continued)*

Donated PPE relates to PPE provided at no charge from the local authority in response to the Covid-19 pandemic.

Government grants consist of £4,645 (2021: £14,747) received via the Coronavirus Job Retention Scheme and £178,377 (2021: £171,682) in relation to Residential and Nursing payments.

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Residential fees	1,545,657	1,545,657	1,763,650	1,763,650
Local Authority Contributions	952,665	952,665	821,731	821,731
	<u>2,498,322</u>	<u>2,498,322</u>	<u>2,585,381</u>	<u>2,585,381</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Investment income	18,649	18,649	24,175	24,175
Rental income	17,419	17,419	25,922	25,922
Other property related income	50,143	50,143	53,771	53,771
	<u>86,211</u>	<u>86,211</u>	<u>103,868</u>	<u>103,868</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Rosehill Residential Home	1,582,367	1,582,367	1,514,516	1,514,516
Barn Close Residential Home	1,131,343	1,131,343	1,138,714	1,138,714
Estates	42,370	42,370	33,690	33,690
Grants payable	29,131	29,131	28,840	28,840
Support costs	168,075	168,075	121,594	121,594
	<u>2,953,286</u>	<u>2,953,286</u>	<u>2,837,354</u>	<u>2,837,354</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2022 £	Total fund 2021 £
Rosehill Residential Home	1,582,367	–	45,879	1,628,246	1,551,430
Barn Close Residential Home	1,131,343	–	45,833	1,177,176	1,172,334
Estates	42,370	–	4,649	47,019	37,573
Grants payable	–	29,131	–	29,131	28,840
Governance costs	–	–	71,714	71,714	47,177
	<u>2,756,080</u>	<u>29,131</u>	<u>168,075</u>	<u>2,953,286</u>	<u>2,837,354</u>

9. Analysis of support costs

	Rosehill Residential Home £	Barn Close Residential Home £	Estates £	Total 2022 £	Total 2021 £
Staff costs	36,509	36,509	–	73,018	50,334
General office	9,370	9,324	–	18,694	20,199
Governance costs	35,857	35,857	4,649	76,363	51,061
	<u>81,736</u>	<u>81,690</u>	<u>4,649</u>	<u>168,075</u>	<u>121,594</u>

10. Analysis of grants

	2022 £	2021 £
Grants to institutions		
Age UK Carlisle & Eden - Information and Advice Services	29,131	28,840
Total grants	<u>29,131</u>	<u>28,840</u>

11. Other expenditure

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Loss on disposal of tangible fixed assets held for charity's own use	19,894	19,894	–	–

12. Net gains on investments

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Unrealised gains/(losses) on revaluation of investments	30,013	30,013	18,547	18,547

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	94,934	85,665
Impairment of tangible fixed assets recognised in:		
Expenditure on charitable activities	298,720	—
Loss on disposal of tangible fixed assets	19,894	—
Staff pension costs	39,035	37,877
Operating lease payments	28,363	24,375
	<u>28,363</u>	<u>24,375</u>

14. Auditors remuneration

	2022	2021
	£	£
Fees payable to the charity's auditor and its associates for other services:		
Audit-related assurance services	5,595	5,300
Payroll	9,087	8,447
Accountancy	13,390	8,295
	<u>28,072</u>	<u>22,042</u>

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	2,128,547	1,975,164
Social security costs	144,262	124,526
Employer contributions to pension plans	39,035	37,877
Other employee benefits	10,728	—
	<u>2,322,572</u>	<u>2,137,567</u>

During the year £109,244 (2021: £nil) was paid as redundancy and £48,378 (2021: £458) was paid as lieu of notice to staff members who were made redundant, this has been included in wages and salaries.

The average head count of employees during the year was 118 (2021: 125). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of production staff	114	121
Number of management staff	4	4
	<u>118</u>	<u>125</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2022	2021
	No.	No.
£60,000 to £69,999	1	—
	<u>1</u>	<u>—</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

15. Staff costs *(continued)*

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £122,616 (2021:£103,732).

16. Trustee remuneration and expenses

None of the trustees were entitled to or received any remuneration during the year. During the year, no trustees were reimbursed for travelling expenses. Trustees indemnity insurance was purchased by the Trust.

17. Exceptional costs incurred on closure of barn close

	2022	2021
	£	£
Extraordinary charges	<u>(484,888)</u>	<u>—</u>

Barn Close was formally closed on 23 March 2022, exceptional costs incurred in relation to this were as follows:

	2022
	£
Impairment Loss	(298,720)
Redundancy Cost	(157,622)
Professional Fees	(28,546)
	<u>(484,888)</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

18. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Equipment £	Assets under construction £	Total £
Cost						
At 1 Apr 2021	885,766	277,751	232,948	417,356	119,584	1,933,405
Additions	–	–	32,007	134,764	–	166,771
Disposals	–	–	(34,654)	–	–	(34,654)
Transfers	–	–	5,200	114,384	(119,584)	–
At 31 Mar 2022	<u>885,766</u>	<u>277,751</u>	<u>235,501</u>	<u>666,504</u>	<u>–</u>	<u>2,065,522</u>
Depreciation						
At 1 Apr 2021	68,175	9,846	59,877	61,402	–	199,300
Charge for the year	28,211	4,074	29,974	32,675	–	94,934
Disposals	–	–	(14,760)	–	–	(14,760)
Impairment losses	–	263,831	34,889	–	–	298,720
At 31 Mar 2022	<u>96,386</u>	<u>277,751</u>	<u>109,980</u>	<u>94,077</u>	<u>–</u>	<u>578,194</u>
Carrying amount						
At 31 Mar 2022	<u>789,380</u>	<u>–</u>	<u>125,521</u>	<u>572,427</u>	<u>–</u>	<u>1,487,328</u>
At 31 Mar 2021	<u>817,591</u>	<u>267,905</u>	<u>173,071</u>	<u>355,954</u>	<u>119,584</u>	<u>1,734,105</u>

19. Investments

	Investment properties £	Other investments £	Total £
Valuation			
At 1 April 2021	1,250,000	578,121	1,828,121
Additions	–	–	–
Other movements	–	30,012	30,012
At 31 March 2022	<u>1,250,000</u>	<u>608,133</u>	<u>1,858,133</u>
Impairment			
At 1 April 2021 and 31 March 2022		<u>–</u>	<u>–</u>
Carrying amount			
At 31 March 2022	<u>1,250,000</u>	<u>608,133</u>	<u>1,858,133</u>
At 31 March 2021	<u>1,250,000</u>	<u>578,121</u>	<u>1,828,121</u>

All investments shown above are held at valuation.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

19. Investments *(continued)*

Investment properties

The trustees have considered the valuation of the land and buildings surrounding, but not occupied by, the Rosehill Residential Home, with advice from their land agents. The trustees have estimated the value of investment land and buildings to be in the region of £1,250,000. This valuation is based on an estimated price per acres for the agricultural land and expected yield basis for the property.

Financial assets held at fair value

All investments have been valued at fair value, for the COIF funds this has been provided by the fund at the year end date.

20. Debtors

	2022	2021
	£	£
Trade debtors	7,736	34,507
Prepayments and accrued income	23,118	36,950
	<u>30,854</u>	<u>71,457</u>

21. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	40,132	35,288
Accruals and deferred income	306,185	323,127
Social security and other taxes	63,590	23,968
Obligations under finance leases and hire purchase contracts	–	1,853
Pension creditor	3,205	7,907
Other creditors	2,148	2,148
	<u>415,260</u>	<u>394,291</u>

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022	2021
	£	£
Not later than 1 year	<u>–</u>	<u>1,853</u>

23. Deferred income

	2022	2021
	£	£
At 1 April 2021	170,467	158,615
Amount released to income	(90,467)	(78,615)
Amount deferred in year	107,604	90,467
At 31 March 2022	<u>187,604</u>	<u>170,467</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

23. Deferred income *(continued)*

Deferred income includes fee and rental income relating to the following year but received in advance and a land option fee for the sale of a parcel of land which is expected to complete in 2022/23.

24. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £39,035 (2021: £37,877).

25. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in income from donations and legacies:		
Government grants income	<u>183,022</u>	<u>186,429</u>

26. Analysis of charitable funds

Unrestricted funds

	At 1 April 21 £	Income £	Expenditure £	Gains and losses £	At 31 March 22 £
General funds	3,703,846	2,781,266	(3,458,068)	18,265	3,045,309
Designated Funds	100,675	–	–	11,748	112,423
	<u>3,804,521</u>	<u>2,781,266</u>	<u>(3,458,068)</u>	<u>30,013</u>	<u>3,157,732</u>

	At 1 April 20 £	Income £	Expenditure £	Gains and losses £	At 31 March 21 £
General funds	3,651,015	2,891,358	(2,837,354)	(1,173)	3,703,846
Designated Funds	80,955	–	–	19,720	100,675
	<u>3,731,970</u>	<u>2,891,358</u>	<u>(2,837,354)</u>	<u>18,547</u>	<u>3,804,521</u>

The trust has designated funds to enable future, unforeseen, emergency repairs. These funds have been invested with CCLA. These funds are unrestricted and amounted to £112,423 (2021: £100,675) at the balance sheet date.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

27. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	1,487,330	1,487,330
Investments	1,858,133	1,858,133
Current assets	227,529	227,529
Creditors less than 1 year	(415,260)	(415,260)
Net assets	3,157,732	3,157,732
	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,734,105	1,734,105
Investments	1,828,121	1,828,121
Current assets	636,586	636,586
Creditors less than 1 year	(394,291)	(394,291)
Creditors greater than 1 year	–	–
Net assets	3,804,521	3,804,521

28. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure		
Investments (Other than Investment Property)	608,133	578,121

29. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	565,129	(368,454)	196,675
Debt due within one year	(1,853)	1,853	–
	<u>563,276</u>	<u>(366,601)</u>	<u>196,675</u>

30. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than 1 year	17,490	24,887
Later than 1 year and not later than 5 years	69,961	99,547
Later than 5 years	51,555	2,205
	<u>139,006</u>	<u>126,639</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

31 March 2022

The leasehold property at Barn Close is held under a 99 year lease (expiring 2090). A peppercorn rental is payable per annum if demanded by the lessor. The lease was surrendered in May 2022 with the Trust ceasing to use the property in March 2022.

31. Related parties

There have been no related party transactions during the year.

THE HENRY LONSDALE TRUST

England & Wales - Charity number 1168707

Accounts

CHARITY REGISTRATION NUMBER: 1168707

The Henry Lonsdale Trust
Financial Statements
31 March 2021

SAINT & CO

Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

The Henry Lonsdale Trust

Financial Statements

Year ended 31 March 2021

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The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

The Trustees present their report and the financial statements of the Henry Lonsdale Trust (Registered Number 1168707 (the "CIO") for the year ended 31 March 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Henry Lonsdale Trust
Charity registration number	1168707
Principal office	Rosehill Residential Home Aglionby Carlisle CA4 8AA
The Trustees	C Bowditch J Riddle (Vice-Chairman) J Mallinson (Chairman) J Leith J Bell C Stothard A Mckerrell
Auditor	Saint & Co Chartered Accountants & Statutory Auditor Sterling House Wavell Drive, Rosehill Carlisle, Cumbria CA1 2SA
Bankers	HSBC Plc English Street Carlisle Cumbria CA3 8JT
Solicitors	Burnetts Solicitors Victoria House Wavell Drive Rosehill Carlisle CA1 2ST

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Trustees

The Trustees who served during the year, all of whom are volunteers, were as follows:

Mr J Mallinson (Chairman)
Mrs J Riddle (Vice Chairman)
Mr J Bell
Mrs C Bowditch
Ms J Leith
Mrs A V McKerrell
Mr C Stothard

1.2 The Governing Document and the Constitution of the CIO

The CIO is a charitable incorporated organisation and is governed by a constitution dated 10th August 2016. It was set up to take over from The Henry Lonsdale Charitable Trust (charity number 508840). The transfer of the assets from the predecessor charity to the CIO took place on 31st October 2018. The charitable purposes of the CIO are identical to those of the unincorporated charity. The Henry Lonsdale Charitable Trust was formally merged with the CIO on the 5 October 2020 and the predecessor Trust ceased to exist from that date.

The information in this Trustees' Report relates to the period from 1 April 2020 to the 31 March 2021, the second full year of operation of the CIO.

1.3 Appointment of Trustees

There should be not less and not more than three appointed Trustees; and not less and not more than four Nominated Trustees. Cumbria County Council or any successor body which has responsibility for adult social care ("the appointing body") is entitled to appoint four Nominated Trustees, each appointment being for a term of three years.

Apart from the first Charity Trustees, every appointed Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the Charity Trustees. In selecting individuals for appointment as appointed Charity Trustees, the Charity Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO.

All newly appointed Trustees undertake induction and training as appropriate to their needs. This includes guided visits to the Homes operated by the CIO and to its administrative headquarters to view the properties, meet the residents and staff and become familiar with the aims of the CIO and its ethos. Additionally, new Trustees are provided with a copy of the most recent Annual Report of the CIO and are sent copies of its policies and procedures relating both to residents and staff. When a Trustee's term of appointment expires, assuming he/she is willing to continue to act and remains eligible to do so, the Trustee is asked to confirm that there has been no change in his/her circumstances which would affect his/her ability to act as well as confirming that he/she is able to take up re-appointment from the relevant date.

A compliance file in respect of each Trustee is held at each Home. Enhanced Disclosure and Barring Service checks are obtained in respect of each Trustee.

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

1.4 Organisational and Decision-Making Structure

The CIO's residential homes are each managed by a Registered Manager to whom operational decisions are devolved. Ultimate responsibility rests with the Trustees, who take all decisions, related to the policy and strategy of the CIO.

All matters requiring Trustee consideration and/or decision are brought to meetings of the Trustees. Trustees meet as and when required, but typically there is a quarterly meeting schedule.

1.5 Risk Management

The major risks to which the CIO is exposed, as identified by the Trustees, have been subjected to detailed consideration. Systems and procedures have been established to mitigate those risks.

OBJECTIVES AND ACTIVITIES

2.1 The Object of the CIO

The object of the CIO is the relief of needy elderly people in one or more of the following ways:

- by the provision and maintenance of a Home or Homes for elderly persons of limited means;
- by the provision of day and respite care centres for elderly persons of limited means;
- by the provision of financial assistance and other services for elderly persons of limited means who require those services or assistance by reason of their age and limitation of means.

2.2 The Aims of the CIO

The principal aim of the CIO is to provide high quality, professional residential care at two Homes for elderly persons of limited means at Rosehill and Barn Close, Carlisle. When it became actively operational (on 31 October, 2018) the CIO became responsible for the ongoing management of the Homes and the Care Quality Commission ("CQC") license transferred to the CIO.

Access to the CIO's Homes is available to all elderly persons in respect of whom, following formal assessment, the CIO is satisfied that it can provide the appropriate level and type of care that the Home in question is registered to provide. Decisions as to admission to residence are made regardless of such matters such as personal background, faith or personal circumstances. Access to the facilities provided within the Homes is similarly 'open to all'. Through those activities, the CIO seeks to care for such elderly persons and enhance the quality of the later stages of their lives. The care provided by the CIO is thus related to the particular needs of its beneficiaries and to the CIO's aims.

The CIO's aims are, therefore, capable of being charitable in that they fall within the descriptions of purposes in the Charities Act 2006: relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

The Trustees have had regard to the Charity Commission's guidance on public benefit and are satisfied that the principles of public benefit set out by the Charity Commission are met:

Principle 1: an identifiable benefit or benefits

The benefits are the provision of accommodation and care to elderly persons. The operation of a care home is a legitimate means of relieving the needs of the aged and/or infirm. Those benefits are related to the CIO's aims in that they arise as a direct result of the CIO pursuing its charitable aims. The

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

care provided by the CIO is related to the particular needs of its beneficiaries and to the CIO's aim and all beneficiaries are assessed for care need before entering one or other of the CIO's two Homes.

There is no evidence of any (let alone significant) detrimental or harmful effects arising from the CIO carrying out its aims.

Principle 2: benefit must be to the public or a section of the public

The CIO's primary beneficiaries are the residents in its Homes. They are "needy" and "elderly". The beneficial class is, therefore, clearly appropriate to the charitable aims of the CIO as there is an obvious connection between the aim and the residents who are in need of care. There are currently 76 residential placements available across the two homes; 40 EMI beds at Rosehill and 36 physically frail at Barn Close. Anyone who, by reference to the registration requirements of the respective Homes, is eligible to become a resident will be considered for residence.

The CIO also provides support to beneficiaries who are not resident in the Homes by way of grant funding, to support the activities of Age UK Carlisle and Eden (see 2.6 below).

The opportunity to benefit is not unreasonably restricted. Indeed, the only restriction derives from the object of the CIO, which is directed at people who are "needy" and "elderly".

Geographical restriction: There is no express geographical restriction in the stated objects of the CIO that is applied to the opportunity to benefit. In practice, for obvious reasons, most of the residents are people from Carlisle. The CIO does, however, accept into its Homes residents from elsewhere in the Country. This typically arises where members of the resident's family are themselves resident in or around Carlisle.

Residents' needs: As mentioned above, residents are only admitted to one or other of the two Homes following an assessment of their needs so as to ensure that the particular Home can provide adequate care. The need for care of each beneficiary is assessed at the time of admission. The CIO does not provide access to residence for those in need of full medical or nursing care as it is not registered to provide such care.

Charges: While the CIO does charge fees, seeking contributions to fees for residential care is expressly provided for in its founding charitable Scheme. For many years the CIO adopted, as the fee that it would seek from all residents, the fee set from time to time by Cumbria County Council as the fee that it, as Social Services Authority, paid to the CIO in respect of those residents who were funded by that Council.

In the year ending 2016, the Trustees decided with some reluctance and following consultations with residents and their families, that as a result of continuing and increasing financial pressures on the sector, the weekly fee charged to privately-funded residents would be increased by a supplement over the fee paid by the County Council in respect of Social Services funded residents.

The Trustees resolved at their meeting on the 5 February 2020 to increase the supplement top up fee payable by privately-funded residents to £100; the increased fee to be implemented as the respective Registered Managers saw fit.

Local authority funding can be available to meet the full fees of prospective residents who are unable to pay from their own resources. There are therefore opportunities for which those who are unable to afford the charges sought by the CIO can benefit from the CIO's provision. As such, there is no restriction based on ability to pay.

The Henry Lonsdale Trust

Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Thus, taking into account what is reasonable and appropriate in the circumstances, the Trustees are satisfied that the CIO does provide sufficient opportunity to benefit in a material way for those who cannot afford the financial contributions that it seeks from its residents towards the provision of care and facilities as provided in its founding Charitable Scheme.

Taking together the above considerations, the Trustees are satisfied that the restrictions on people who have the opportunity to benefit are rational and justifiable and that the opportunity to benefit is not unreasonably restricted by geographical or other factors.

The CIO does not provide private benefits to people other than its beneficiaries.

2.3 *The Objectives of the CIO*

In setting the objectives for the CIO and planning its strategies and activities referred to in this Report, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The principal objectives of the CIO can be summarised as follows:

- provision of high quality, professional residential care;
- enhanced training for all staff;
- open and accessible management and dialogue with staff;
- introduction of appropriate staff policies and training;
- improvement, refurbishment and maintenance (planned and reactive) of its two Homes.

2.4 *The Strategies of the CIO*

The CIO's strategies for achieving the above objectives during normal years include, for example, providing staff with such training as is necessary and appropriate both 'in-house' and through relevant external providers. The CIO's policy aim is to try to exceed the requirement of the Care Standards Act 2000 and the expectations of the Care Quality Commission ("CQC") by encouraging all care staff to achieve at least the Health Social Care Diploma Level 2. The CIO similarly aims to ensure that suitable training is provided for its administrative staff who are encouraged to pursue relevant courses of training. It is through a combination of the material environment and the training of staff that quality residential care is provided to the residents.

The Year in question commenced almost in tandem with the first COVID 19 lockdown and the operation of the Homes continues to be governed by the changing requirements of dealing with the virus. The primary goal was and remains the health and safety of the residents and staff which, for obvious reasons, has impacted on the hitherto normal training opportunities. The CIO will continue to aim to provide the best training that the situation and the environment permits. This includes the Trust appointing an in-house trainer on the 6 April 2021.

2.5 *Significant Activities*

The nature of the CIO is not such that it undertakes, in particular years, specific programmes or projects to achieve its objects and further its aims. Rather, the role and activities of the CIO are more ongoing in nature, reflecting the respective needs of the elderly persons for whom it provides care. The significance of the activities of the CIO, therefore, is that it continues to provide high quality care rather than that it undertakes any 'one-off' programmes or projects of particular importance during any particular year.

The Trustees aim to continue to enhance the service on an ongoing basis. During the Year in question the ability to do so was affected by the COVID 19 virus, and the significant pressures on the care sector have continued into the current year.

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2.6 Grant-making Policy

The original object of the CIO was directed at the provision of a residential care home. That object was amended in 1992 to include the relief of needy elderly people by the provision of financial assistance.

In accordance with this amendment the Trustees agreed, in 2016, to make a grant to Age UK Carlisle and Eden to fund a Carlisle-based Information and Advice Officer, employed by that Charity, for a period of three years expiring on the 30 June 2019.

The Trustees then agreed to make a further grant to Age UK Carlisle and Eden in the order of £86,740 to continue the service for a further period of three years commencing on the 1 July 2019.

As that is the only grant made by the CIO, it does not have a formal grant-making policy. Instead, the Trustees maintain close scrutiny of the service provided by receiving regular reports of its activities.

ACHIEVEMENTS AND PERFORMANCE

3.1 Charitable Activities: Performance against Objectives

(i) Formal assessment

As mentioned above, the key objective of the CIO is to provide high quality, professional residential care. The best measure of whether the performance of the CIO achieved that objective can be drawn from the reports of formal inspections undertaken from time to time at the Homes by CQC, and from less formal ongoing liaison with the CQC. The Registered Managers maintain good links with the CQC enjoying positive feedback in the process.

The Trustees normally have a system of monthly rota visits to the Homes resulting in each of the Trustees undertaking two visits at each of the Homes during the year. This arrangement had, for obvious reasons, to be suspended during the Year in question because of COVID 19. The Chair and Vice Chair of the Trustees remained in close contact with the Registered Managers during the Year offering their close support.

(ii) Informal assessment

Less formal measures of the extent to which the CIO's performance achieves its objectives can be drawn, first, from the fact that places within the Homes are much sought after either by potential residents themselves or their families and professional carers and, secondly, from the many letters of appreciation that are received.

Slightly more formally, the Managers from time-to-time issue Quality Assurance Questionnaires to residents, relatives, visitors and representatives of relevant professional agencies. A good return of the questionnaires is normally achieved with the vast majority of responses being very positive and complimentary. Negative comments have rarely been made but any that are received are swiftly looked into and resolved.

During the Year in question, visiting had to take second place to the need to prioritise the health and safety of residents with the result that the opportunity for visitor feed-back was significantly limited. Nevertheless, the efforts of all staff in very difficult circumstances were very much appreciated by residents and their families alike, as well as by the Trustees.

(iii) Other achievements

Additionally, the Trustees consider that the following achievements are worthy of particular mention.

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Year ended 31 March 2021

These apply in normal years and were followed during the Year in question only in as much as the COVID 19 situation allowed. In some cases, because of the need to protect the well-being of residents and staff, the opportunities during the Year in question were very limited.

Residential Care

- (a) Central to the activities of the CIO has been the continued provision of two high quality Homes for elderly people to the North (Barn Close) and East (Rosehill) of Carlisle. High quality care is of increasing importance given the similarly increasing frailty of residents coming into and living within the CIO's Homes. This remained the standard aim during the Year in question.
- (b) The CIO continues to embrace the standards for care homes laid down by the Health and Social Care Acts 2008 and 2012 to the benefit of its residents, and complies with a standard contract with Cumbria County Council, which regulates residential care services provided by the CIO.
- (c) The fabric of the Homes is maintained in keeping with the high standards of care provided for the residents by the CIO and its employees. The Trustees keep this under regular review and approve funding for refurbishment across both Homes as and when a potential and/or actual need is identified. The opportunities during the Year in question were more limited for obvious reasons.
- (d) Improved and innovative activity programmes and measures have continued to provide enjoyment and stimulation for residents and their carers at both Homes and this remains a rolling aim of the Trustees. This too was severely affected during the Year in question but innovative and compensatory events were arranged.
- (e) The CIO has continued its policy (unlike many other residential care homes) of not charging residents for basic toiletries.
- (f) The pressure of requests for permanent accommodation had previously brought to an end the practice of offering respite care at Barn Close with the exception of meeting short term requests when a vacant room was available. The Trustees will continue with this approach of considering the available options dependant on the level of occupancy and, of course, subject to the needs of combating the COVID 19 virus.
- (g) Residents at both Homes have continued to present as being increasingly frail thus needing extra support from staff. Unsurprisingly, this has led to an increased call on the time and expertise of staff to ensure that the requisite standards are maintained and this has been carefully and appropriately managed.

Staffing

- (a) During the Year in question, the opportunities for staff training and education (both externally and internally) were severely impacted by reason of the COVID 19 emergency. The priority remained to protect the health and wellbeing of residents and staff. The aim remains to maintain a standard of excellence of service by continued training and education for staff as and when permitted by the COVID 19 situation. In that regard, the CIO appointed an in-house trainer on 6 April 2021.
 - (b) The CIO has two Registered Managers; one for each Care Home but who act jointly in relation to day-to-day management issues affecting the CIO as a whole. They are each answerable in relation to the budgets for their respective Homes and have power to spend up to £5,000 on a single item or a combination of related items; albeit with spending monitored by the Chairman. The maintenance of an effective administration system falls within the remit of the Senior Administrator under the supervision of the two Registered Managers.
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- (c) The CIO considers training of staff to be an important priority. The CIO has previously set a target that all care staff (as opposed to the 50% referred to in the National Minimum Care Standards) should be trained to the Health and Social Care Diploma Level 2 (which replaced NVQ Level 2 in January 2011). In accordance with that policy, the vast majority of the staff at the two Homes have achieved the Level 2 qualification or are working towards it: indeed, several have achieved the Level 3 qualification.
- (d) Additionally, one Domestic Assistant has achieved the Level 1 qualification, and all Care Officers have achieved at least the former NVQ Level 3 award. Due to recruitment difficulties, the Trust has relaxed its requirement that all newly appointed night care staff should already hold the Level 2 qualification, and in contrast to previously, neither Deputy Manager currently holds an NVQ level 4 or Residential Manager's Award. All employed staff who do not have an NVQ2/Diploma level 2 are required to undertake the Care certificate, and are given the opportunity to gain an NVQ/Diploma in Health and Social Care. A policy of continuous staff improvement remains a high priority.
- (e) More generally, ongoing mandatory and other training has been provided to staff in respect of, for example, first-aid, fire prevention and fire warden, challenging behaviour, dementia awareness, bereavement awareness, a CHES (Care Home Effective Support Service) education programme, control of infection, nutrition and malnutrition, safeguarding vulnerable adults, safe handling and administration of medication, food hygiene, handling and lifting, end of life care, palliative care and equality and diversity. Additionally, the few staff who do not hold Health and Social Care Diploma complete the Care Certificate qualification. All in all, there is no member of the CIO's staff who has not participated in some form of training during the year. The practice of 'Train the Trainer' (whereby key staff attend external training and then roll out or 'cascade' what they have learned to other staff) has been particularly beneficial in that when staff who have been trained then provide training to other staff, money that would have been spent on an external training provider is saved and, importantly, the training is better suited to the staff as it is focused upon their working environment.
- (f) The CIO is considered to be a good employer and staff show a genuine commitment to the wellbeing of the residents often going the extra mile to ensure that resident's needs are met. That having been said, and even prior to COVID 19, a number of factors combined to create a situation where even the CIO was suffering problems of recruitment and retention. The pressures of working in a care home environment are increasing commensurate with the growth in numbers of older and increasingly frailer residents. The reduction in private sector providers willing to service local authority clients has also meant that there is increasing competition between those providers that remain for the best staff, and the CIO has not been immune to approaches made to its staff by others in the sector. The overall effect of these trends has made the CIO less of a preferred choice for actual and potential staff than has been the case previously.
- The position during the Year in question has meant that working conditions for staff have been extremely challenging and difficult, with examples being having to wear uncomfortable PPE to having to work within a constrained and isolated environment. Overall, staff responded magnificently but the situation only exacerbated the problems of recruitment and retention which are serious.
- (g) The CIO has participated in the Care Apprentice Scheme to the mutual benefit of the CIO and the individuals concerned.
- (h) The CIO employs two maintenance persons which produces a saving for the CIO when compared with the cost of engaging external contractors to undertake maintenance work. The CIO is looking at the possibility of additionally recruiting apprentice(s) to supplement the current provision. This possibility is seen as a suitable and cost effective option to meet increasing need for maintenance services, and
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Trustees' Annual Report *(continued)*
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also for longer term continuity planning.

- (i) During the year in question, the CIO continued to be serviced and advised by its professional advisors in their respective fields of expertise. At its meeting in June 2021, and after considering the options, the Trustees decided to award a three year contract to Croner for an HR and Health and Safety Service.

Finance and Administration

- (a) The previously improved arrangements with regard to setting an annual budget and then carefully monitoring expenditure against that budget have been continued.
- (b) Financial contributions from residents towards their care have been maintained in line with the policies of Cumbria County Council, although (as described above) the weekly supplement charged to privately-funded residents in excess of the amount paid by Cumbria County Council for Social Services residents was reviewed and amended. In this regard, consideration is given at all times to the charitable status of the CIO and its objects.
- (c) The Trust's Financial Statements have continued to be professionally audited with nothing untoward being noted in respect of either income or expenditure. The Trust made a surplus of £72,551 for the year ending 31 March 2021.
- (d) The Trustees have continued to attend to various matters pursuant to SORP 2015: for example, Risk Assessment, Investment Policy and Policy on Reserves.
- (e) The Trustees continue to review the investment strategy with guidance and information from their Investment Adviser. (See further details below).
- (f) In October 2017, the Trustees undertook a financial review of Trust priorities as a result of the growing discrepancy between the real costs of providing residential care and the fees charged. This differential resulted from a number of external factors; not the least of which was the more restricted contributions which the local authority felt constrained to make in relation to its nominated residents. This resulted in policy changes to the fee structure (reported in greater detail above).
- (g) In July 2018, the Trustees resolved that all staff employed for over three years should have their DBS checks renewed, with the cost of DBS checks being met by the Trust (subject to refund from staff leaving within a specified period of time), and this arrangement continues. The Trustees keep under review the rates of pay payable to staff with the aim of being a good and fair employer within the sector.

Property & Premises

- (a) The Trustees have continued their stewardship of the CIO's buildings and estate through an ongoing programme of refurbishment and building maintenance.
- (b) The Trustees have continued to address a number of other property-related issues away from the main estate comprising the two Homes.
- (c) The Trustees entered into an Option Agreement in 2015 with a local housing developer to sell part of the CIO's investment land and took advice from specialised Chartered Surveyors to ensure the Trust's interests were maximised. This progressed more slowly than expected with the planning process still incomplete by the expiry of that option, and the developer renewed the option.

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Trustees' Annual Report *(continued)*

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2021 saw a change in market conditions which allowed the developer to proceed with its plans and seek to agree a purchase of the land. The Trustees took professional advice for the purpose of the negotiations and at a specially convened meeting of the Trustees on 20 April 2021, the Trustees approved the terms for the sale of the land to the developer. The current target, subject to planning permissions etc, is to complete the sale by the end of the first quarter of 2022.

3.2 Investments: Performance against Objectives by the Trustees

(i) Objectives

The Trustees long standing objective for its investments has been to try to protect the value of the Trust's capital whilst aiming for some capital growth and a competitive income. The Trust had previously invested principally in two funds: CCLA and Premier Asset Management. The investments were largely a mix of different asset classes including shares which, understandably, resulted in occasional volatility from time to time. The need for astute financial management has become even more acute, firstly, because of the recent history of low interest rates, and secondly (and more up to date), because of the likely impact of COVID 19 and the impact on investments.

Trustees have taken regular guidance from their investment adviser as and when cash is needed and/or when investments reach their maturity date. In 2018/2019, the advisor advised a change in the investment portfolio. He recommended investments in three funds, a Defensive Income Securities Fund, a Social Freehold Fund and a Commercial Freehold Fund, and the Trustees considered and accepted his advice in that respect.

In the course of 2019/2020, the adviser invested the funds with Time Investments in accordance with his recommendations and the Trustees approval. He provides regular reports on their performance to the Trustees at their quarterly meetings for their consideration and review.

3.3 External Factors

There are a number of factors outside the CIO's control, which are relevant to the achievement of its objectives. These include relationships with employees, residents, their families, other carers and professionals, Cumbria County Council (as social services authority), social workers and other employees of that Council and the CIO's position in the wider community. It is pleasing to note that the relationships with all these individuals and organisations are good.

The CIO maintains close contact with the Care Quality Commission (CQC) from whom it receives very good and positive feedback, and which is always available for advice and support.

As mentioned above, a particular influence of the County Council is that it fixes the fees that it will pay towards the care and accommodation provided by the CIO to residents supported by that Council. The CIO is not in a position to influence the level of fee that is set by the County Council. This fee also impacts upon the contribution that is sought from all other privately funded residents towards the costs of their residence as it provides the base level to which is added the supplement payable by privately funded residents. A uniform initial supplement of £70 per week was originally applied to all privately funded residents, and as reported above, provision was made in 2019/2020 to extend this to £100 per week.

FINANCIAL REVIEW

4.1 Reserves Policy

A detailed breakdown of the CIO's funds is contained in the Financial Statements with a narrative at notes 24 and 25.

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Trustees' Annual Report *(continued)*

Year ended 31 March 2021

Total funds of £3,804,521 were held at the year-end of which £2,984,105 can only be realised by disposing of tangible fixed assets or investment property. As Note 24 explains, within the unrestricted funds, the Trust had designated funds of £100,675 as at 31 March 2021. This was to make provision for and enable any future unforeseen emergency repairs.

After accounting for the above, this leaves unallocated reserves which are available for use by the CIO totalling £719,741.

Unallocated reserves are available for use by the CIO totalling £719,741. The policy of the CIO is to attempt to maintain sufficient unallocated reserves representing approximately one year's total operating costs (which this year amounted to £2,751,689 (excluding depreciation)) on the basis of the time that might be necessary to reconstruct the residential Homes following a major incident and the costs relating thereto, particularly in connection with the temporary accommodation of residents.

The level of reserves is monitored and reviewed by the Trustees as necessary and at least once each year.

4.2 Principal Funding Sources

The CIO's principal source of funding was the contributions that were received from residents (or from local authorities on behalf of residents) towards the fees of providing them with accommodation and care. The whole of the CIO's expenditure in the year has supported the objectives of the CIO principally the key objective of providing high quality residential care. The greater part of the expenditure is directly related to the provision of such care (primarily staff wages and salaries) with lesser amounts (such as in relation to staff training, maintenance of the fabric of the Homes and management and administration of the CIO) being indirectly related to that objective. As already described above the CIO does make a grant award to Age UK Carlisle and Eden to support for non-residential beneficiaries. During the current and prior year the CIO did not carry out any significant fundraising activities.

4.3 Investment Powers

The Scheme authorises the Trustees to make and hold investments using the general funds of the CIO. At 31 March 2021, investments of £5,153 at cost were held with COIF charities investment fund, and £500,000 in other investments (i.e. portfolio and long-term savings). Under the terms of the Statement of Recommended Practice, Accounting by Charities, the investments were revalued and as at 31 March 2021 stood at a total market value of £578,121. This comprised listed investments at nil and other investments at £578,121.

4.4 Indemnity Insurance

The CIO purchased trustee indemnity insurance as part of their main insurance policy, and therefore the trustees have been unable to determine the associated cost this year.

4.5 Policy Considerations

The Trustees are always mindful of their obligations as trustees to act in the best interests of the CIO and to meet the CIO's objectives. Trustees have been very alert to the increasing financial pressures in the sector and have stressed the importance of careful scrutiny of expenditure. In July 2017, the Trustees reiterated those aims by formally adopting the principle of looking at best value from the Trust's service providers, and that policy has continued to be implemented to date.

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PLANS FOR FUTURE PERIODS

Since the CIO acquired and began to operate its second residential Care Home (Barn Close) and increased provision at its first Care Home (Rosehill) by some twenty-five percent it has continued a phase of consolidation and stability. As mentioned at paragraph 2.5 above its role is to pursue, on an ongoing basis, its principal activity of the provision of high-quality residential care. As such, the aims and key objectives of will continue forward into future years.

COVID 19 caught the tail end of the reporting year 2019/2020 such that its impact on that reporting year was negligible. That position changed during the Year in question. The two Homes were expertly managed by their managers and dedicated staff such that it was a long time into 2020 before the first cases of COVID 19 affected some of the staff. Isolated incidents notwithstanding, good and effective management of the two Homes against the virus has remained the order of the day.

Having said that, the confidence of the general public in the care home sector and its ability to protect against COVID 19, has undoubtedly been dented. Despite the good record of both Homes on the COVID19 front, the general public loss of confidence led to some decrease in enquiries and applications for physically frail places at the Barn Close home. This led to the need to make some redundancies at that Home. The position with regard to the Rosehill Home is that there has continued to be a full waiting list for EMI places at that Home.

The overall situation is improving particularly in the light of the successful vaccination programme first announced in November 2020, and the projected implementation of a booster jab in the latter part of 2021.

That is not to underestimate the considerable strain and the difficult conditions under which all staff have had (and continue) to operate, and the consequent impact on recruitment and retention which is severe. The Trustees have recorded their thanks to all staff for their efforts. Nevertheless, the Trustees are acutely aware of the need to closely monitor that situation, including income and expenditure, and will take such decisions as are necessary to ensure that the requisite care standards are maintained.

The quality of the GP service allocated by the CCG to the Rosehill Home has been a source of concern for some time. The Home and the Trustees have been liaising with the Clinical Commissioning Group (CCG) in relation to this. The CCG put in hand measures to improve the performance of the relevant service and, initially, these led to certain improvements though there is concern that there have been signs of possible regression. The Home and the Trustees will continue to liaise with the CCG and take whatever steps are open to it to ensure that the best possible service is available to the Home.

CONCLUSION

2018/2019 saw the transfer of business from the unincorporated charity to the CIO.

In 2020/2021, and despite the extremely trying situation created by the pandemic, the CIO continued to achieve what the Trustees regard as its principal object i.e. the provision of Homes for elderly people, the quality of which and, most importantly, the quality of care within which, are both considered to be second to none. That remains the standard and goal of the CIO going forward.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources

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Trustees' Annual Report *(continued)*
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and application of resources, of the charity 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 applicable 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 2nd November 2021 and signed on behalf of the board of trustees by:

J Riddle (Vice-Chairman)
Trustee

J Mallinson (Chairman)
Trustee

The Henry Lonsdale Trust

Independent Auditor's Report to the Members of The Henry Lonsdale Trust

Year ended 31 March 2021

Opinion

We have audited the financial statements of The Henry Lonsdale Trust (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

In auditing the financial statements, we have concluded that the trustees' 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 twelve months from when the financial statements are authorised for issue.

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

The Henry Lonsdale Trust

Independent Auditor's Report to the Members of The Henry Lonsdale Trust *(continued)*

Year ended 31 March 2021

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 trustees' report.

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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.

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 charity or to cease operations, or have no realistic alternative but to do so.

The Henry Lonsdale Trust

Independent Auditor's Report to the Members of The Henry Lonsdale Trust *(continued)*

Year ended 31 March 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
-

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Independent Auditor's Report to the Members of The Henry Lonsdale Trust *(continued)*

Year ended 31 March 2021

- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Charity Commission and the company's legal advisors.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Farrer (Senior Statutory Auditor)

For and on behalf of
Saint & Co
Chartered Accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

26 November 2021

The Henry Lonsdale Trust
Statement of Financial Activities
Year ended 31 March 2021

		2021	2020
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	4	202,109	1,198
Charitable activities	5	2,585,381	2,539,188
Investment income	6	103,868	90,026
Total income		<u>2,891,358</u>	<u>2,630,412</u>
Expenditure			
Expenditure on charitable activities	7,8	(2,837,354)	(2,685,673)
Total expenditure		<u>(2,837,354)</u>	<u>(2,685,673)</u>
Net gains/(losses) on investments	11	18,547	(21,405)
Net income/(expenditure) and net movement in funds		<u>72,551</u>	<u>(76,666)</u>
Reconciliation of funds			
Total funds brought forward		3,731,970	3,808,636
Total funds carried forward		<u>3,804,521</u>	<u>3,731,970</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 21 to 32 form part of these financial statements.

The Henry Lonsdale Trust

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	16	1,734,105	1,673,790
Investments	17	1,828,121	1,809,574
		<u>3,562,226</u>	<u>3,483,364</u>
Current assets			
Debtors	18	71,457	101,376
Cash at bank and in hand		565,129	520,724
		<u>636,586</u>	<u>622,100</u>
Creditors: amounts falling due within one year	19	<u>394,291</u>	<u>371,589</u>
Net current assets		242,295	250,511
Total assets less current liabilities		<u>3,804,521</u>	<u>3,733,875</u>
Creditors: amounts falling due after more than one year	20	–	1,905
Net assets		<u>3,804,521</u>	<u>3,731,970</u>
Funds of the charity			
Unrestricted funds		3,804,521	3,731,970
Total charity funds	24	<u>3,804,521</u>	<u>3,731,970</u>

These financial statements were approved by the board of trustees and authorised for issue on 2nd November 2021, and are signed on behalf of the board by:

J Riddle (Vice-Chairman)
Trustee

J Mallinson (Chairman)
Trustee

The notes on pages 21 to 32 form part of these financial statements.

The Henry Lonsdale Trust

Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	72,551	(76,666)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	85,665	81,127
Government grant income	(186,429)	–
Net (gains)/losses on investments	(18,547)	21,405
Other interest receivable and similar income	(103,868)	(90,026)
Interest payable and similar charges	194	480
Accrued expenses	8,135	–
<i>Changes in:</i>		
Trade and other debtors	29,919	(40,339)
Trade and other creditors	17,321	85,712
Cash generated from operations	(95,059)	(18,307)
Interest paid	(194)	(480)
Interest received, Rental income and Other property related income	103,868	90,026
Net cash from operating activities	<u>8,615</u>	<u>71,239</u>
Cash flows from investing activities		
Purchase of tangible assets	(145,980)	(72,928)
Purchases of other investments	–	(500,000)
Net cash used in investing activities	<u>(145,980)</u>	<u>(572,928)</u>
Cash flows from financing activities		
Government grant income	186,429	–
Movements in HP and finance lease liabilities	(4,659)	(4,374)
Net cash from/(used in) financing activities	<u>181,770</u>	<u>(4,374)</u>
Net increase/(decrease) in cash and cash equivalents	44,405	(506,063)
Cash and cash equivalents at beginning of year	520,724	1,026,787
Cash and cash equivalents at end of year	<u>565,129</u>	<u>520,724</u>

The notes on pages 21 to 32 form part of these financial statements.

The Henry Lonsdale Trust
Notes to the Financial Statements
Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Rosehill Residential Home, Aglionby, Carlisle, Cumbria, CA4 8AA.

2. Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 April 2015.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The CIO meets the definition of a public benefit entity under FRS102.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The trustees believe there were no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as follows:

- The trustees have estimated the useful economic lives of the categories of assets.
- The trustees have estimated the fair value of investment land and property, further details are included in note 17 to the accounts.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Fund accounting

The charity's general, unrestricted funds are those available for general 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.

Restricted funds, of which there were none, are those resources where the income and related expenditure are not available for general use, but are to be used in accordance with the specific wishes of the donor or which have been raised by the charity for a particular purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The trustees have discretion to allocate funds to particular resources as they so wish. The aim and use of each designated fund is set out in the notes to the financial statements.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from Social Services Department of Cumbria County Council, relating to the residents fees, is accounted for on an accruals basis.
- Income from private residents is accounted for on an accruals basis.
- Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.
- Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes irrecoverable VAT, and is classified under headings of the statement of financial activities to which it relates:

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis as deemed by the trustees.

Value added tax

The charity is not registered for VAT, and Value Added Tax is not recoverable by the charity. As such, it is included in the relevant costs in the Statement of Financial Activities.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are shown as additions; with cost equal to the net book value recognised at the date of transfer to this CIO. Subsequently they will be stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset. The following depreciation rates for assets transferred to this CIO have been applied to the original cost of the assets rather than the transfer value.

Freehold property	-	Over 50 years
Leasehold property	-	Over the period of lease
Furniture and equipment	-	15% reducing balance
Equipment (Energy generating)	-	Over 20 years

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Defined contribution plans

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered scheme. The contributions are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Miscellaneous donations	646	646	1,198	1,198
Donated PPE	15,034	15,034	–	–
Grants				
Government grant income	186,429	186,429	–	–
	<u>202,109</u>	<u>202,109</u>	<u>1,198</u>	<u>1,198</u>

Donated PPE relates to PPE provided at no charge from the local authority in response to the Covid-19 pandemic.

Government grants consist of £14,747 received via the Coronavirus Job Retention Scheme and £171,682 in relation to Residential and Nursing payments.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Charitable activities

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Residential fees	1,763,650	1,763,650	1,770,977	1,770,977
Local Authority Contributions	821,731	821,731	768,211	768,211
	<u>2,585,381</u>	<u>2,585,381</u>	<u>2,539,188</u>	<u>2,539,188</u>

6. Investment income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Investment income	24,175	24,175	12,541	12,541
Rental income	25,922	25,922	23,415	23,415
Other property related income	53,771	53,771	54,070	54,070
	<u>103,868</u>	<u>103,868</u>	<u>90,026</u>	<u>90,026</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Rosehill Residential Home	1,514,516	1,514,516	1,387,741	1,387,741
Barn Close Residential Home	1,138,714	1,138,714	1,100,520	1,100,520
Estates	33,690	33,690	36,326	36,326
Grants payable	28,840	28,840	28,712	28,712
Support costs	121,594	121,594	132,374	132,374
	<u>2,837,354</u>	<u>2,837,354</u>	<u>2,685,673</u>	<u>2,685,673</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2021 £	Total fund 2020 £
Rosehill Residential Home	1,514,516	–	36,914	1,551,430	1,419,275
Barn Close Residential Home	1,138,714	–	33,620	1,172,334	1,130,545
Estates	33,690	–	3,883	37,573	40,786
Grants payable	–	28,840	–	28,840	28,712
Governance costs	–	–	47,177	47,177	66,355
	<u>2,686,920</u>	<u>28,840</u>	<u>121,594</u>	<u>2,837,354</u>	<u>2,685,673</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Analysis of support costs

	Rosehill Residential Home £	Barn Close Residential Home £	Estates £	Total 2021 £	Total 2020 £
Staff costs	25,167	25,167	–	50,334	44,512
General office	11,747	8,452	–	20,199	17,047
Governance costs	23,589	23,589	3,883	51,061	70,815
	<u>60,503</u>	<u>57,208</u>	<u>3,883</u>	<u>121,594</u>	<u>132,374</u>

10. Analysis of grants

	2021 £	2020 £
Grants to institutions		
Age UK Carlisle & Eden - Information and Advice Services	28,840	28,712
Total grants	<u>28,840</u>	<u>28,712</u>

11. Net gains/(losses) on investments

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Unrealised gains/(losses) on revaluation of investments	<u>18,547</u>	<u>18,547</u>	<u>(21,405)</u>	<u>(21,405)</u>

12. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets	85,665	81,127
Staff pension costs	37,877	30,653
Operating lease payments	<u>24,375</u>	<u>24,058</u>

13. Auditors remuneration

	2021 £	2020 £
Fees payable to the charity's auditor and its associates for other services:		
Audit-related assurance services	5,300	5,220
Payroll	8,447	7,434
Accountancy	8,295	7,873
	<u>22,042</u>	<u>20,527</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Staff costs

During the year £458 was paid as pay in lieu of notice to staff members who were made redundant, this has been included in wages and salaries.

The average head count of employees during the year was 125 (2020: 133). The average number of full-time equivalent employees during the year is analysed as follows:

	2021 No.	2020 No.
Number of production staff	121	129
Number of management staff	4	4
	<u>125</u>	<u>133</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

15. Trustee remuneration and expenses

None of the trustees were entitled to or received any remuneration during the year. During the year, no trustees were reimbursed for travelling expenses. Trustees indemnity insurance was purchased by the Trust.

Key management personnel

The key management personnel of the charity comprise the two home managers. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £103,732 (2020: £96,632).

16. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Equipment £	Assets under construction £	Total £
Cost						
At 1 Apr 2020	885,766	277,751	206,552	417,356	–	1,787,425
Additions	–	–	26,396	–	119,584	145,980
At 31 Mar 2021	<u>885,766</u>	<u>277,751</u>	<u>232,948</u>	<u>417,356</u>	<u>119,584</u>	<u>1,933,405</u>
Depreciation						
At 1 Apr 2020	39,965	5,772	31,904	35,994	–	113,635
Charge for the year	28,210	4,074	27,973	25,408	–	85,665
At 31 Mar 2021	<u>68,175</u>	<u>9,846</u>	<u>59,877</u>	<u>61,402</u>	<u>–</u>	<u>199,300</u>
Carrying amount						
At 31 Mar 2021	<u>817,591</u>	<u>267,905</u>	<u>173,071</u>	<u>355,954</u>	<u>119,584</u>	<u>1,734,105</u>
At 31 Mar 2020	<u>845,801</u>	<u>271,979</u>	<u>174,648</u>	<u>381,362</u>	<u>–</u>	<u>1,673,790</u>

Included within the carrying value of fixtures and fittings are assets with a net book value of £10,533 (2020: £12,391) which are held under finance leases or hire purchase agreements.

There is a commitment in place to complete the installation of an LPG heating system, the remaining cost is £131,857.

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

17. Investments

	Investment properties £	Other investments £	Total £
Cost or valuation			
At 1 April 2020	1,250,000	559,574	1,809,574
Additions	–	–	–
Other movements	–	18,547	18,547
At 31 March 2021	<u>1,250,000</u>	<u>578,121</u>	<u>1,828,121</u>
Impairment			
At 1 April 2020 and 31 March 2021		–	–
Carrying amount			
At 31 March 2021	<u>1,250,000</u>	<u>578,121</u>	<u>1,828,121</u>
At 31 March 2020	<u>1,250,000</u>	<u>559,574</u>	<u>1,809,574</u>

All investments shown above are held at valuation.

Investment properties

The trustees have considered the valuation of the land and buildings surrounding, but not occupied by, the Rosehill Residential Home, with advice from their land agents. The trustees have estimated the value of investment land and buildings to be in the region of £1,250,000. This valuation is based on an estimated price per acres for the agricultural land and expected yield basis for the property.

Financial assets held at fair value

All investments have been valued at fair value, for the COIF funds this has been provided by the fund at the year end date.

18. Debtors

	2021 £	2020 £
Trade debtors	34,507	33,307
Prepayments and accrued income	36,950	68,069
	<u>71,457</u>	<u>101,376</u>

19. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	35,288	51,182
Accruals and deferred income	323,127	291,922
Social security and other taxes	23,968	18,719
Obligations under finance leases and hire purchase contracts	1,853	4,607
Pension creditor	7,907	3,011
Other creditors	2,148	2,148
	<u>394,291</u>	<u>371,589</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

19. Creditors: amounts falling due within one year *(continued)*

Included in accruals and deferred income is deferred income of £170,467 (2020: £158,615) which relates to the following period.

20. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Obligations under finance leases and hire purchase contracts	–	1,905
	<u>–</u>	<u>1,905</u>

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	1,853	4,607
Later than 1 year and not later than 5 years	–	1,905
	<u>1,853</u>	<u>6,512</u>

22. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £37,877 (2020: £30,653).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in income from donations and legacies:		
Government grants income	186,429	–
	<u>186,429</u>	<u>–</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

24. Analysis of charitable funds

Unrestricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
General funds	3,651,015	2,891,358	(2,837,354)	–	(1,173)	3,703,846
Designated Funds	80,955	–	–	–	19,720	100,675
	<u>3,731,970</u>	<u>2,891,358</u>	<u>(2,837,354)</u>	<u>–</u>	<u>18,547</u>	<u>3,804,521</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
General funds	3,727,657	2,630,412	(2,685,673)	24	(21,405)	3,651,015
Designated Funds	80,978	–	–	(23)	–	80,955
	<u>3,808,635</u>	<u>2,630,412</u>	<u>(2,685,673)</u>	<u>1</u>	<u>(21,405)</u>	<u>3,731,970</u>

The trust has designated funds to enable future, unforeseen, emergency repairs. These funds have been invested with CCLA. These funds are unrestricted and amounted to £100,675 (2020: £80,955) at the balance sheet date.

25. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,734,105	1,734,105
Investments	1,828,121	1,828,121
Current assets	636,586	636,586
Creditors less than 1 year	(394,291)	(394,291)
Creditors greater than 1 year	–	–
Net assets	<u>3,804,521</u>	<u>3,804,521</u>

	Unrestricted Funds £	Total Funds 2020 £
Tangible fixed assets	1,673,790	1,673,790
Investments	1,809,574	1,809,574
Current assets	622,100	622,100
Creditors less than 1 year	(371,589)	(371,589)
Creditors greater than 1 year	(1,905)	(1,905)
Net assets	<u>3,731,970</u>	<u>3,731,970</u>

The Henry Lonsdale Trust

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

26. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Investments (Other than Investment Property)	578,121	559,574

27. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	520,724	44,405	565,129
Debt due within one year	(4,607)	2,754	(1,853)
Debt due after one year	(1,905)	1,905	–
	<u>514,212</u>	<u>49,064</u>	<u>563,276</u>

28. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	24,887	24,379
Later than 1 year and not later than 5 years	99,547	121,874
Later than 5 years	2,205	2,149
	<u>126,639</u>	<u>148,402</u>

The leasehold property at Barn Close is held under a 99 year lease (expiring 2090). A peppercorn rental is payable per annum if demanded by the lessor.

29. Related parties

There have been no related party transactions during the year.