

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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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

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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.

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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

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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.

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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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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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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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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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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

The Henry Lonsdale Trust
Trustees' Annual Report *(continued)*
Year ended 31 March 2021

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;
-

The Henry Lonsdale Trust

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
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	202,109	202,109	1,198
Charitable activities	5	2,585,381	2,585,381	2,539,188
Investment income	6	103,868	103,868	90,026
Total income		<u>2,891,358</u>	<u>2,891,358</u>	<u>2,630,412</u>
Expenditure				
Expenditure on charitable activities	7,8	(2,837,354)	(2,837,354)	(2,685,673)
Total expenditure		<u>(2,837,354)</u>	<u>(2,837,354)</u>	<u>(2,685,673)</u>
Net gains/(losses) on investments	11	18,547	18,547	(21,405)
Net income/(expenditure) and net movement in funds		<u>72,551</u>	<u>72,551</u>	<u>(76,666)</u>
Reconciliation of funds				
Total funds brought forward		3,731,970	3,731,970	3,808,636
Total funds carried forward		<u>3,804,521</u>	<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.