

FRIENDLY SOCIETIES' CONVALESCENT SCHEME

England & Wales · Charity number 226621

Details

Other names	FRIENDLY SOCIETIES' CONVALESCENT HOME, FRIENDLY SOCIETIES' CONVALESCENT HOMES CHARITY, DOVER, HERNE BAY AND ELSEWHERE
Status	Registered
Legal form	Other
Registered	1963-06-13
Register	View on the Charity Commission register

Contact

Address	8 Smithbarn Close Horley Surrey RH6 9LF
Phone	01293785274
Email	angelastanley21@aol.co.uk

Activities

Objects: THE RELIEF OF SICKNESS AND THE PRESERVATION OF HEALTH OF THE PUBLIC, IN PARTICULAR BUT NOT EXCLUSIVELY TO ASSIST MEMBERS OF FRIENDLY SOCIETIES BY PROVIDING GRANTS TO HELP IN THE PROVISION OF FACILITIES AND SUPPORT SERVICES.

Activities: Relief of sickness and the preservation of health of the public by providing grants to help in the provision of facilities and support services.

Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£51,320	£51,301	-	-
2023-12-31	£49,032	£53,014	-	-
2022-12-31	£49,472	£54,973	-	-
2021-12-31	£40,216	£64,157	-	-
2020-12-31	£42,268	£54,500	-	-

Trustees

Name	Role	Appointed
JANET MARGARET WHITEHEAD	Chair	
Angela Stanley		2019-07-18
Dorothy Anne Deacon		2019-11-14
Gail Lancaster		2023-09-28
Janet Lewis		2021-03-05
Joanne Andrew		2021-03-05
PETER JAMES SAUNDERS		
Richard Darlington		2025-07-24

FRIENDLY SOCIETIES' CONVALESCENT SCHEME

England & Wales - Charity number 226621

Accounts

Charity number 226621

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report and Accounts

31 December 2024

**The Friendly Societies Convalescent Scheme
Trustees' Report and Accounts
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The Friendly Societies Convalescent Scheme

Reference and Administration Details

Trustees

Mrs Janet M. Whitehead (formerly Clements) - Chairman

Mrs Joanne Andrew

Mr Richard Darlington - appointed 24 July 2025

Mrs Dorothy Deacon

Mrs Gail Lancaster

Mrs Janet Lewis

Mr John Potten - died 17 March 2025

Mr Peter Saunders

Mrs Angela Stanley

Independent Examiner

Mr Daniel Valentine ACA

Begbies

Unit 14, Park Barn

Evegate Business Park

Smeeth, Ashford

TN25 6SX

Bankers

Nat West

140 High Street

Herne Bay

Kent

CT6 5JX

Principal Address

8 Smithbarn Close

Horley

RH6 9LF

Charity registered number

226621

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report **for the year ended 31 December 2024**

The Trustees present their report and accounts for the year ended 31 December 2024.

The Trustees confirm that the Annual Report and accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 FRS 102 applicable in the UK and Republic of Ireland published on 16 July 2014.

Structure, governance and management

The charity is set up by constitution and operated by the Board of Trustees. New trustees are interviewed and appointed by the Board.

Risk management

The Trustees have identified the major risks which the charity faces and consider that all necessary action has been taken to manage those risks.

Objectives and activities for the public benefit

The charity's original object was to provide convalescent treatment for members of friendly societies through its convalescent home in Herne Bay.

Following the sale of the charity's convalescent home in August 2010, the Trustees reviewed their objectives and activities with the Charity Commission and the charity's revised objects, under a scheme dated 20 May 2015, are the relief of sickness and the preservation of health of the public, in particular but not exclusively to assist members of Friendly Societies by providing grants to help in the provision of facilities and support services.

The Trustees confirm that they have continued to comply with their duty in Section 17 of the 2011 Charities Act to have due regard to the Charity Commission's public benefit guidance.

Grant making policy

The trustees' policy is to support any persons with financial grants towards the cost of convalescence. Applications must be supported by a medical report from a hospital or doctor supporting the need for a convalescent stay. The trustees will also consider a grant towards the cost of a carer staying with the patient on convalescence.

The trustees also provide grants towards the costs of a shortfall in convalescent claims to the Oddfellows and Foresters Friendly Societies. A system is in place through the Societies whereby the applications are approved following medical certification. From November 2020 the trustees will pay 100% of any shortfall up to £500 per week, up to 2 weeks per annum.

No claims have been refused. These claims require a medical certificate signed by a Doctor. The trustees continue to explore ways of extending the guest programme.

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report **for the year ended 31 December 2024**

Trustees' report and financial review

The need to source a leaflet and website provider to link with our website page was our priority, but all attempts to engage with commercial companies failed. So the Trustees were left promoting the Charity through the Societies we actively work with and personal recommendation from others who have used the scheme.

The policy of considering each claim on its' individual merits remains and different types of accommodation are used. The grant is a top up grant to stay through a Society scheme, other times it is to stay at a specific location such as a hotel or apartment with family support.

With convalescent homes closing throughout the country the natural inclination is to feel that the facility is no longer required. However, the Trustees believe the need exists and it is a case of promoting the benefits of a convalescent or respite stay.

Funds continue to be available and well managed and the increased focus will be to promote and attract.

Reviewing the year it was apparent that things needs a new approach, and in January 2025 the Administrator, Richard Darlington advised of his intention to retire after many years of dedicated service. He retired at the end of June 2025 and Angela Stanley took over the role from 1 July.

Total income for the year was £51,320 (2023: £49,032) and total expenditure was £51,301 (2023: £53,014). Net gains on investments amounted to £115,220 (2023: gains of £85,385) resulting in net surplus for the year of £115,239 (2023: net surplus of £81,403). At 31 December 2024 total funds were £2,284,662 of which £211,392 were unrestricted.

Investment policy and performance

The management of the investment portfolio is governed not only by a Client Agreement Letter (September 2013) but also by a Written Investment Policy Statement ("WIPS") dated 31st July 2012. The WIPS can be summarised as follows:

The Trustees have chosen as their investment objective a Balanced return (between income and capital growth) and to maintain the capital value at least in line with inflation. An appropriate mix of assets within certain ranges has been agreed (as revised 10th July 2014).

In terms of risk, the Trustees have a moderate level of tolerance and have directed the Managers to have due regard for the suitability of the investments held and the need for diversification (including the stipulation that no non-collective investment should exceed 8% of the value of the portfolio).

The portfolio had a positive year in 2024 returning 7.0% net of fees. Performance was driven largely by the equity component within the portfolio, of which the US holdings were the standout performers. The main US index, the S&P 500 delivering a total return of around 25% in USD terms, led by the mega-cap "Magnificent Seven" technology stocks (including Amazon, Apple and Microsoft), which together accounted for over half of that gain. UK and European markets were modest in terms of their returns, posting gains of around 5%. Fixed income performance was steady if unspectacular as expectations to interest rate cuts were scaled back throughout the year. Gold is deserving of recognition with our investment in the precious metal up 28% on the year. 2025 was off to a volatile start with President Trump shifting global trade policy with a raft of tariffs announced via his Liberation Day statement on the 2nd of April. Coming off the back of a strong 2024, equity markets sold off heavily on the news but have since recovered as the shock to global growth does not appear as bad as initially feared.

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report
for the year ended 31 December 2024

Reserves policy

The Trustees are aware that the reserves are growing and are seeking more options to increase grants. Their aim is that 50% of their annual income should go towards grants, and that they should hold the income for 2 years in reserve to give continuity should their investments underperform.

Trustees' responsibilities

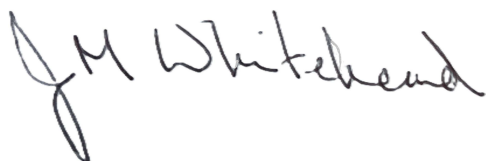
The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, 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;
- prepare the accounts 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 disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. 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.

This report was approved by the Trustees on 30 September 2025



Mrs Janet M Whitehead
Chairman

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Statement of Financial Activities
for the year ended 31 December 2024

	Notes	Permanent Endowment Fund £	Unrestricted Fund £	Total 2024 £	Permanent Endowment Fund £	Unrestricted Fund £	Total 2023 £
Income from:							
Investments	2	-	51,320	51,320	-	49,032	49,032
Total income		-	51,320	51,320	-	49,032	49,032
Expenditure on:							
Raising funds	3	17,938	5,523	23,461	17,262	6,289	23,551
Charitable activities	4	-	27,840	27,840	-	29,463	29,463
Total expenditure		17,938	33,363	51,301	17,262	35,752	53,014
Net gains/(losses) on investment assets		115,220	-	115,220	85,385	-	85,385
Net income/(expenditure)		97,282	17,957	115,239	68,123	13,280	81,403
Transfers							
Transfers between funds		-	-	-	-	-	-
Net movement in funds		97,282	17,957	115,239	68,123	13,280	81,403
Reconciliation of Funds							
Total Funds at 1 January 2024		1,975,988	193,435	2,169,423	1,907,865	180,155	2,088,020
Total Funds at 31 December 2024		2,073,270	211,392	2,284,662	1,975,988	193,435	2,169,423

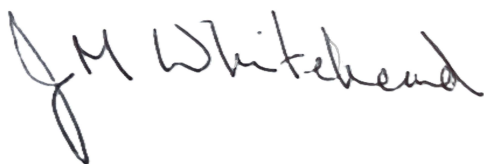
The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Balance Sheet
as at 31 December 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Investments					
- Listed investments	8		2,235,516		2,142,059
- Cash held within portfolio			<u>37,631</u>		<u>27,538</u>
			<u>2,273,147</u>		<u>2,169,597</u>
Current assets					
Debtors	9	127		119	
Cash at bank	10	<u>16,135</u>		<u>6,923</u>	
		16,262		7,042	
Creditors: amounts falling due within one year	11	<u>(4,747)</u>		<u>(7,216)</u>	
Net current assets/(liabilities)			<u>11,515</u>		<u>(174)</u>
Net assets			<u><u>2,284,662</u></u>		<u><u>2,169,423</u></u>
Represented by:					
Permanent Endowment Fund			2,073,270		1,975,988
Unrestricted Fund			<u>211,392</u>		<u>193,435</u>
Total Funds	12		<u><u>2,284,662</u></u>		<u><u>2,169,423</u></u>

Approved by the Trustees on 30 September 2025



Mrs Janet M Whitehead
Chairman

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2024

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts 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) published on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting

The Unrestricted Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised upon notification from our investment advisor of the dividend paid or payable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

The costs of raising funds consist of investment management and an apportionment of support and governance costs

The expenditure on charitable activities includes grants payable and an apportionment of support and governance costs.

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2024

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

The charity does not acquire or use put options, derivatives or other complex financial instruments.

2	Investment income	2024	2023
		£	£
	Interest received		
	Nat West	52	43
	Investec Wealth & Investment Ltd	781	766
	Investec portfolio	50,487	48,223
		51,320	49,032
3	Costs of raising funds	2024	2023
		£	£
	Investment management costs	17,938	17,262
	Support and governance costs (see note 5)	5,523	6,289
		23,461	23,551
4	Expenditure on charitable activities	2024	2023
		£	£
	Grants payable (see note 6)	11,270	10,597
	Support and governance costs (see note 5)	16,570	18,866
		27,840	29,463

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2024

5 Analysis of support and governance costs

	2024	2023
	£	£
Support costs		
Staff costs (note 7)	17,160	17,160
PO Box	416	390
Storage rental	-	1,100
Computer and website costs	-	1,069
Bank charges	501	327
Sundry expenses	(4)	1
	<u>18,073</u>	<u>20,047</u>
Governance costs		
Accountancy and independent examination	4,020	3,900
Meeting expenses	-	1,208
	<u>4,020</u>	<u>5,108</u>
Total	<u>22,093</u>	<u>25,155</u>
	2024	2023
	£	£
Allocated:		
Costs of raising funds (25%) (note 3)	5,523	6,289
Charitable activities (75%) (note 4)	16,570	18,866
	<u>22,093</u>	<u>25,155</u>

6 Grants payable

	2024	2023
	£	£
Paid to individuals	11,270	10,597
	<u>11,270</u>	<u>10,597</u>

7 Staff costs

	2024	2023
	£	£
Gross salaries	17,160	17,160
Employer's national insurance	-	-
	<u>17,160</u>	<u>17,160</u>

The average number of employees during the year was 1 (2023: 1).

During the year, no Trustee received any remuneration or benefits in kind (2023: £nil). Seven trustees received reimbursement of expenses in the year of £nil (2023: £351).

Total emoluments received by the charity's key management personnel was £17,160 (2023: £17,160).

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2024

8	Investments		Listed
			investments
	Market value		£
	At 1 January 2024		2,142,059
	Additions at cost		1,058,549
	Disposals at carrying value		(1,091,390)
	Net gain on revaluation		126,298
	At 31 December 2024		<u>2,235,516</u>
	Historical cost at 31 December 2024		<u>2,026,212</u>
	Listed investments at fair value comprised:		
		2024	2023
		£	£
	UK fixed interest	358,461	316,891
	Overseas fixed interest	96,714	61,991
	UK equities	135,887	270,507
	International equities	1,315,656	1,079,012
	Emerging economies	59,170	84,347
	Property	33,626	71,281
	Alternative assets	231,002	258,030
	Money market instruments	5,000	-
		<u>2,235,516</u>	<u>2,142,059</u>
9	Debtors	2024	2023
		£	£
	Prepayments	127	119
10	Cash balances	2024	2023
		£	£
	Nat West	16,135	6,963
11	Creditors: amounts falling due within one year	2024	2023
		£	£
	PAYE & NI	678	316
	Accruals	4,069	6,900
		<u>4,747</u>	<u>7,216</u>

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2024

12 Movement in Funds	B/fwd at 1st Jan 2024	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2024
	£	£	£	£	£
Permanent Endowment Fund	1,975,988	-	(17,938)	115,220	2,073,270
Unrestricted Fund	193,435	51,320	(33,363)	-	211,392
	<u>2,169,423</u>	<u>51,320</u>	<u>(51,301)</u>	<u>115,220</u>	<u>2,284,662</u>

Movement in Funds	B/fwd at 1st Jan 2023	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2023
	£	£	£	£	£
Permanent Endowment Fund	1,907,865	-	(17,262)	85,385	1,975,988
Unrestricted Fund	180,155	49,032	(35,752)	-	193,435
	<u>2,088,020</u>	<u>49,032</u>	<u>(53,014)</u>	<u>85,385</u>	<u>2,169,423</u>

The unrestricted fund is available to be spent for any of the purposes of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

13 Analysis of Net Assets Between Funds	Endowment Fund	Unrestricted Fund	Total 2024
	£	£	£
Fixed assets investments	2,273,147	-	2,273,147
Cash at bank	-	16,135	16,135
Other current assets	(199,877)	195,257	(4,620)
At 31 December 2024	<u>2,073,270</u>	<u>211,392</u>	<u>2,284,662</u>

Analysis of Net Assets Between Funds	Permanent Endowment Fund	Unrestricted Fund	Total 2023
	£	£	£
Fixed assets investments	2,169,597	-	2,169,597
Cash at bank	-	6,923	6,923
Other current assets	(193,609)	186,512	(7,097)
At 31 December 2023	<u>1,975,988</u>	<u>193,435</u>	<u>2,169,423</u>

14 Related Party Transactions

There were no related party transactions in the year.

**The Friendly Societies Convalescent Scheme
Independent Examiner's Report to the Trustees
for the year ended 31 December 2024**

I report to the trustees on my examination of the accounts of Friendly Societies Convalescent Scheme (the charity) for the year ended 31 December 2024 which are set out on pages 5 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the trustees' accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have complete my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no matters and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Daniel Valentine ACA
Begbies
Unit 14, Park Barn
Evegate Business Park
Smeeth, Ashford
Kent
TN25 6SX
6 October 2025

FRIENDLY SOCIETIES' CONVALESCENT SCHEME

England & Wales - Charity number 226621

Accounts

Charity number 226621

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report and Accounts

31 December 2023

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The Friendly Societies Convalescent Scheme

Reference and Administration Details

Trustees

Mrs Janet M. Clements - Chairman
Mrs Joanne Andrew
Mrs Dorothy Deacon
Mrs Gail Lancaster - appointed 28 September 2023
Mrs Janet Lewis
Mr John Potton
Mr Peter Saunders
Mrs Angela Stanley

Independent Examiner

Mr Daniel Valentine ACA
Begbies
Unit 14, Park Barn
Evegate Business Park
Smeeth, Ashford
TN25 6SX

Bankers

Nat West
140 High Street
Herne Bay
Kent
CT6 5JX

Principal Address

PO Box 552
Ashford
Kent
TN23 9UT

Charity registered number

226621

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report for the year ended 31 December 2023

The Trustees present their report and accounts for the year ended 31 December 2023.

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Risk management

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Objectives and activities for the public benefit

The charity's original object was to provide convalescent treatment for members of friendly societies through its convalescent home in Herne Bay.

Following the sale of the charity's convalescent home in August 2010, the Trustees reviewed their objectives and activities with the Charity Commission and the charity's revised objects, under a scheme dated 20 May 2015, are the relief of sickness and the preservation of health of the public, in particular but not exclusively to assist members of Friendly Societies by providing grants to help in the provision of facilities and support services.

The Trustees confirm that they have continued to comply with their duty in Section 17 of the 2011 Charities Act to have due regard to the Charity Commission's public benefit guidance.

Grant making policy

The trustees' policy is to support any persons with financial grants towards the cost of convalescence. Applications must be supported by a medical report from a hospital or doctor supporting the need for a convalescent stay. The trustees will also consider a grant towards the cost of a carer staying with the patient on convalescence.

The trustees also provide grants towards the costs of a shortfall in convalescent claims to the Oddfellows and Foresters Friendly Societies. A system is in place through the Societies whereby the applications are approved following medical certification. From November 2020 the trustees will pay 100% of any shortfall up to £500 per week, up to 2 weeks per annum.

No claims have been refused. These claims require a medical certificate signed by a Doctor. The trustees continue to explore ways of extending the guest programme.

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report **for the year ended 31 December 2023**

Trustees' report and financial review

The challenge for the Trustees has been to promote the Charity in a sensible way. With convalescent homes closing throughout the country the natural inclination is to feel that the facility is no longer required. However, the Trustees believe the need exists and it is a case of promoting the benefits of a convalescent or respite stay. Each claim is considered on its' individual merits. Sometimes the grant is a top up grant to stay through a Society scheme, other times it is to stay at a specific location such as a hotel or apartment with family support.

The difficulties with the PO Box can not be underestimated and it is very distressing to think that people were waiting to hear and may consider they were ignored.

The leaflet and linked Facebook proved more difficult to source than anticipated.

Funds continue to be available and well managed and the increased focus will be to promote and attract.

Total income for the year was £49,032 (2022: £49,472) and total expenditure was £53,014 (2022: £54,973). Net gains on investments amounted to £85,385 (2022: losses of £286,928) resulting in net surplus for the year of £81,403 (2022: net deficit of £292,429). At 31 December 2023 total funds were £2,169,423 of which £193,435 were unrestricted.

Investment policy and performance

The management of the investment portfolio is governed not only by a Client Agreement Letter (September 2013) but also by a Written Investment Policy Statement ("WIPS") dated 31st July 2012. The WIPS can be summarised as follows:

The Trustees have chosen as their investment objective a Balanced return (between income and capital growth) and to maintain the capital value at least in line with inflation. An appropriate mix of assets within certain ranges has been agreed (as revised 10th July 2014).

In terms of risk, the Trustees have a moderate level of tolerance and have directed the Managers to have due regard for the suitability of the investments held and the need for diversification (including the stipulation that no non-collective investment should exceed 8% of the value of the portfolio).

In the calendar year 2023 the portfolio returned 5.92% net of fees (6.79% gross) vs a benchmark return of 10.02% (gross). The portfolio benefitted from strong performance in both fixed income and equity but lagged the benchmark in the US where a high level of concentration persisted. A handful of companies (the so-called "Magnificent 7" big tech companies) dominating the index and returns, accounting for a material 30% of the market capitalisation of the S&P500 index and 20% of global markets. We favour a more diversified approach blending sectors and styles targeting a balance between risk and return. This approach might lag the index when high concentration exists but presents charities and trustees with a more balanced return profile ensuring the focus can remain on the charity and its objectives. We have been incrementally rotating the portfolio towards a more global outlook ensuring the strategy exhibits the best investment ideas, regardless of the country of domicile. In terms of our asset class positioning, the portfolio is modestly overweight equities as economic conditions continue to improve and we have increased our fixed income weight and duration to broadly neutral relative to the benchmark. Performance so far in 2024 has been strong and we remain cautiously optimistic as we continue to monitor inflation trending towards target and central banks beginning to ease monetary policy. Both should present a tailwind for risk assets.

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report
for the year ended 31 December 2023

Reserves policy

The Trustees are aware that the reserves are growing and are seeking more options to increase grants. Their aim is that 50% of their annual income should go towards grants, and that they should hold the income for 2 years in reserve to give continuity should their investments underperform.

Trustees' responsibilities

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

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, 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;
- prepare the accounts 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 disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. 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.

This report was approved by the Trustees on 21 October 2024



Mrs Janet M Clements
Chairman

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Statement of Financial Activities
for the year ended 31 December 2023

	Notes	Permanent Endowment Fund £	Unrestricted Fund £	Total 2023 £	Permanent Endowment Fund £	Unrestricted Fund £	Total 2022 £
Income from:							
Investments	2	-	49,032	49,032	-	49,472	49,472
Total income		-	49,032	49,032	-	49,472	49,472
Expenditure on:							
Raising funds	3	17,262	6,289	23,551	17,495	5,774	23,269
Charitable activities	4	-	29,463	29,463	-	31,704	31,704
Total expenditure		17,262	35,752	53,014	17,495	37,478	54,973
Net gains/(losses) on investment assets		85,385	-	85,385	(286,928)	-	(286,928)
Net income/(expenditure)		68,123	13,280	81,403	(304,423)	11,994	(292,429)
Transfers							
Transfers between funds		-	-	-	-	-	-
Net movement in funds		68,123	13,280	81,403	(304,423)	11,994	(292,429)
Reconciliation of Funds							
Total Funds at 1 January 2023		1,907,865	180,155	2,088,020	2,212,288	168,161	2,380,449
Total Funds at 31 December 2023		1,975,988	193,435	2,169,423	1,907,865	180,155	2,088,020

The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Balance Sheet
as at 31 December 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments					
- Listed investments	8		2,142,059		2,021,190
- Cash held within portfolio			<u>27,538</u>		<u>51,295</u>
			<u>2,169,597</u>		<u>2,072,485</u>
Current assets					
Debtors	9	119		113	
Cash at bank	10	<u>6,923</u>		<u>20,167</u>	
		7,042		20,280	
Creditors: amounts falling due within one year	11	<u>(7,216)</u>		<u>(4,745)</u>	
Net current (liabilities)/assets			<u>(174)</u>		<u>15,535</u>
Net assets			<u><u>2,169,423</u></u>		<u><u>2,088,020</u></u>
Represented by:					
Permanent Endowment Fund			1,975,988		1,907,865
Unrestricted Fund			<u>193,435</u>		<u>180,155</u>
Total Funds	12		<u><u>2,169,423</u></u>		<u><u>2,088,020</u></u>

Approved by the Trustees on 21st October 2024



Mrs Janet M Clements
Chairman

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2023

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts 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) published on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting

The Unrestricted Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised upon notification from our investment advisor of the dividend paid or payable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

The costs of raising funds consist of investment management and an apportionment of support and governance costs

The expenditure on charitable activities includes grants payable and an apportionment of support and governance costs.

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2023

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

The charity does not acquire or use put options, derivatives or other complex financial instruments.

2	Investment income	2023	2022
		£	£
	Interest received		
	Nat West	43	8
	Investec Wealth & Investment Ltd	766	223
	Investec portfolio	48,223	49,241
		49,032	49,472
3	Costs of raising funds	2023	2022
		£	£
	Investment management costs	17,262	17,495
	Support and governance costs (see note 5)	6,289	5,774
		23,551	23,269
4	Expenditure on charitable activities	2023	2022
		£	£
	Grants payable (see note 6)	10,597	14,382
	Support and governance costs (see note 5)	18,866	17,322
		29,463	31,704

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2023

5 Analysis of support and governance costs

	2023	2022
	£	£
Support costs		
Staff costs (note 7)	17,160	17,160
Travel and subsistence	-	226
PO Box	390	372
Storage rental	1,100	1,100
Computer and website costs	1,069	-
Bank charges	327	331
Sundry expenses	1	145
	<u>20,047</u>	<u>19,334</u>
Governance costs		
Accountancy and independent examination	3,900	3,762
Meeting expenses	1,208	-
	<u>5,108</u>	<u>3,762</u>
 Total	 <u>25,155</u>	 <u>23,096</u>
	2023	2022
	£	£
Allocated:		
Costs of raising funds (25%) (note 3)	6,289	5,774
Charitable activities (75%) (note 4)	18,866	17,322
	<u>25,155</u>	<u>23,096</u>

6 Grants payable

	2023	2022
	£	£
Paid to individuals	10,597	14,382
	<u>10,597</u>	<u>14,382</u>

7 Staff costs

	2023	2022
	£	£
Gross salaries	17,160	17,160
Employer's national insurance	-	-
	<u>17,160</u>	<u>17,160</u>

The average number of employees during the year was 1 (2022: 1).

During the year, no Trustee received any remuneration or benefits in kind (2022: £nil). Seven trustees received reimbursement of expenses in the year of £351 (2022: £226).

Total emoluments received by the charity's key management personnel was £17,160 (2022: £17,160).

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2023

8	Investments		Listed
			investments
	Market value		£
	At 1 January 2023		2,021,190
	Additions at cost		1,095,539
	Disposals at carrying value		(1,067,304)
	Net gain on revaluation		92,634
	At 31 December 2023		<u>2,142,059</u>
	Historical cost at 31 December 2023		<u>1,912,854</u>
	Listed investments at fair value comprised:		
		2023	2022
		£	£
	UK fixed interest	316,891	218,817
	Overseas fixed interest	61,991	131,604
	UK equities	270,507	507,931
	International equities	1,079,012	719,875
	Emerging economies	84,347	70,074
	Property	71,281	80,694
	Alternative assets	258,030	292,195
		<u>2,142,059</u>	<u>2,021,190</u>
9	Debtors	2023	2022
		£	£
	Prepayments	119	113
10	Cash balances	2023	2022
		£	£
	Nat West	6,963	20,167
11	Creditors: amounts falling due within one year	2023	2022
		£	£
	PAYE & NI	316	315
	Accruals	6,900	4,430
		<u>7,216</u>	<u>4,745</u>

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2023

12 Movement in Funds	B/fwd at 1st Jan 2023	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2023
	£	£	£	£	£
Permanent Endowment Fund	1,907,865	-	(17,262)	85,385	1,975,988
Unrestricted Fund	180,155	49,032	(35,752)	-	193,435
	2,088,020	49,032	(53,014)	85,385	2,169,423

Movement in Funds	B/fwd at 1st Jan 2022	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2022
	£	£	£	£	£
Permanent Endowment Fund	2,212,288	-	(17,495)	(286,928)	1,907,865
Unrestricted Fund	168,161	49,472	(37,478)	-	180,155
	2,380,449	49,472	(54,973)	(286,928)	2,088,020

The unrestricted fund is available to be spent for any of the purposes of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

13 Analysis of Net Assets Between Funds	Endowment Fund	Unrestricted Fund	Total 2023
	£	£	£
Fixed assets investments	2,169,597	-	2,169,597
Cash at bank	-	6,923	6,923
Other current assets	(193,609)	186,512	(7,097)
At 31 December 2023	1,975,988	193,435	2,169,423

Analysis of Net Assets Between Funds	Permanent Endowment Fund	Unrestricted Fund	Total 2022
	£	£	£
Fixed assets investments	2,072,485	-	2,072,485
Cash at bank	-	20,167	20,167
Other current assets	(164,620)	159,988	(4,632)
At 31 December 2022	1,907,865	180,155	2,088,020

14 Related Party Transactions

There were no related party transactions in the year.

**The Friendly Societies Convalescent Scheme
Independent Examiner's Report to the Trustees
for the year ended 31 December 2023**

I report to the trustees on my examination of the accounts of Friendly Societies Convalescent Scheme (the charity) for the year ended 31 December 2023 which are set out on pages 4 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the trustees' accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have complete my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no matters and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Daniel Valentine ACA

Begbies
Unit 14, Park Barn
Evegate Business Park
Smeeth, Ashford
Kent
TN25 6SX

21/10/2024

FRIENDLY SOCIETIES' CONVALESCENT SCHEME

England & Wales - Charity number 226621

Accounts

Charity number 226621

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report and Accounts

31 December 2022

**The Friendly Societies Convalescent Scheme
Trustees' Report and Accounts
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The Friendly Societies Convalescent Scheme

Reference and Administration Details

Trustees

Mrs Janet M. Clements - Chairman
Mrs Joanne Andrew
Mrs Dorothy Deacon
Mrs Janet Lewis
Mr John Potton
Mr Peter Saunders
Mr Basil Stanley - resigned 31 December 2022
Mrs Angela Stanley

Independent Examiner

Mr Daniel Valentine ACA
Begbies
Unit 14, Park Barn
Evegate Business Park
Smeeth, Ashford
TN25 6SX

Bankers

Nat West
140 High Street
Herne Bay
Kent
CT6 5JX

Principal Address

PO Box 552
Ashford
Kent
TN23 9UT

Charity registered number

226621

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report
for the year ended 31 December 2022

The Trustees present their report and accounts for the year ended 31 December 2022.

The Trustees confirm that the Annual Report and accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 FRS 102 applicable in the UK and Republic of Ireland published on 16 July 2014.

Structure, governance and management

The charity is set up by constitution and operated by the Board of Trustees. New trustees are interviewed and appointed by the Board.

Risk management

The Trustees have identified the major risks which the charity faces and consider that all necessary action has been taken to manage those risks.

Objectives and activities for the public benefit

The charity's original object was to provide convalescent treatment for members of friendly societies through its convalescent home in Herne Bay.

Following the sale of the charity's convalescent home in August 2010, the Trustees reviewed their objectives and activities with the Charity Commission and the charity's revised objects, under a scheme dated 20 May 2015, are the relief of sickness and the preservation of health of the public, in particular but not exclusively to assist members of Friendly Societies by providing grants to help in the provision of facilities and support services.

The Trustees confirm that they have continued to comply with their duty in Section 17 of the 2011 Charities Act to have due regard to the Charity Commission's public benefit guidance.

Grant making policy

The trustees' policy is to support any persons with financial grants towards the cost of convalescence. Applications must be supported by a medical report from a hospital or doctor supporting the need for a convalescent stay. The trustees will also consider a grant towards the cost of a carer staying with the patient on convalescence.

The trustees also provide grants towards the costs of a shortfall in convalescent claims to the Oddfellows and Foresters Friendly Societies. A system is in place through the Societies whereby the applications are approved following medical certification. From November 2020 the trustees will pay 100% of any shortfall up to £500 per week, up to 2 weeks per annum.

No claims have been refused. These claims require a medical certificate signed by a Doctor. The trustees continue to explore ways of extending the guest programme.

Trustees' report and financial review

This year has proved particularly challenging. The Trustees assumed that once the threat of Covid had subsided then people would seek convalescence. Many of the traditional convalescent homes either closed or changed the way they operated, which meant those who used to attend or knew of others who did, needed to look elsewhere. For example, one home requires a Covid certificate before accepting guests and once there, guests may not leave the grounds to walk into town or on the beach. Another only operates for 6 days, the 7th day being for total cleaning making a 2 week stay impossible.

We have been delighted to help those who have approached us, such as a young family following bereavement of the father and a guest requiring support after a fall. We continue to reach out to increase our scope. Next year we intend to try a different approach to promote ourselves further.

In 2022 the rates remained the same but with interest rates rising and the still low demand, this means we have scope to change for 2023.

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report **for the year ended 31 December 2022**

Total income for the year was £49,472 (2021: £40,216) and total expenditure was £54,973 (2021: £64,157). Net losses on investments amounted to £286,928 (2021: gains of £205,940) resulting in net deficit for the year of £292,429 (2021: net surplus of £181,999). At 31 December 2022 total funds were £2,088,020 of which £180,155 were unrestricted.

Investment policy and performance

The management of the investment portfolio is governed not only by a Client Agreement Letter (September 2013) but also by a Written Investment Policy Statement ("WIPS") dated 31st July 2012. The WIPS can be summarised as follows:

The Trustees have chosen as their investment objective a Balanced return (between income and capital growth) and to maintain the capital value at least in line with inflation. An appropriate mix of assets within certain ranges has been agreed (as revised 10th July 2014).

In terms of risk, the Trustees have a moderate level of tolerance and have directed the Managers to have due regard for the suitability of the investments held and the need for diversification (including the stipulation that no non-collective investment should exceed 8% of the value of the portfolio).

For the calendar year 2022 the portfolio generated a return of -10.9% net of fees (-10.1% gross) vs the benchmark return of -7.1% and the peer group index return of -9.6%. In contrast to 2021, which was a strong year for the portfolio, 2022 was a more challenging year for risk assets in general. Bond yields rose dramatically (prices fell) following the fastest pace of interest rate tightening in 40 years as central bankers rushed to stifle consumer demand in the face of rising and persistent inflation. Economic expectations deteriorated on fears that central bankers would repeat past mistakes and over-tighten interest rate policy inducing a recession. With that in mind, the consumer has remained in sound financial health with a tight labour market underpinning wages. The chance of a so-called "soft landing" (a short, shallow economic recession - or no recession at all) has improved. "Better than expected" has been commonly cited in earnings reports from Q4 '22 onwards. However, we are not out the woods yet. The war in Ukraine continues and while inflation is falling, core inflation which excludes volatile energy and food, remains stubbornly high. Our preferred investment style seeking quality companies exposed to growing economic markets was out of favour in 2022 as investors sought companies with cheap valuations and near-term clarity on earnings despite weak business models. Quality has returned to the fore in 2023 as investors recognise the ability of well-run companies with low levels of operating leverage to navigate higher interest rate environments. Indeed, the portfolio has produced positive portfolio returns in 2023 to date (3% net) and is well positioned for long term growth.

Reserves policy

The Trustees are aware that the reserves are growing and are seeking more options to increase grants. Their aim is that 50% of their annual income should go towards grants, and that they should hold the income for 2 years in reserve to give continuity should their investments underperform.

Trustees' responsibilities

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

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

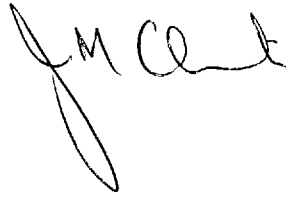
The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report
for the year ended 31 December 2022

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. 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.

This report was approved by the Trustees on 28th September 2023

Mrs Janet M Clements
Chairman

A handwritten signature in black ink, appearing to read 'J M Clements', written over the printed name of the Chairman.

Statement of Financial Activities
for the year ended 31 December 2022

	Notes	Permanent Endowment Fund £	Unrestricted Fund £	Total 2022 £	Permanent Endowment Fund £	Unrestricted Fund £	Total 2021 £
Income from:							
Investments	2	-	49,472	49,472	-	40,216	40,216
Total income		-	49,472	49,472	-	40,216	40,216
Expenditure on:							
Raising funds	3	17,495	5,774	23,269	18,161	5,785	23,946
Charitable activities	4	-	31,704	31,704	-	40,211	40,211
Total expenditure		17,495	37,478	54,973	18,161	45,996	64,157
Net gains/(losses) on investment assets		(286,928)	-	(286,928)	205,940	-	205,940
Net income/(expenditure)		(304,423)	11,994	(292,429)	187,779	(5,780)	181,999
Transfers							
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(304,423)	11,994	(292,429)	187,779	(5,780)	181,999
Reconciliation of Funds							
Total Funds at 1 January 2022		2,212,288	168,161	2,380,449	2,024,509	173,941	2,198,450
Total Funds at 31 December 2022		1,907,865	180,155	2,088,020	2,212,288	168,161	2,380,449

The Notes to the Accounts form part of the Financial Statements

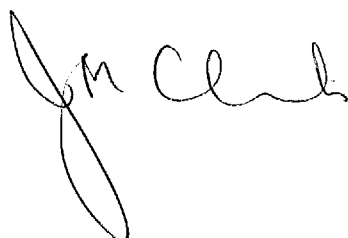
The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Balance Sheet
as at 31 December 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investments					
- Listed investments	8		2,021,190		2,280,061
- Cash held within portfolio			51,295		92,383
			<u>2,072,485</u>		<u>2,372,444</u>
Current assets					
Debtors	9	113		107	
Cash at bank	10	20,167		26,541	
		<u>20,280</u>		<u>26,648</u>	
Creditors: amounts falling due within one year	11	(4,745)		(18,643)	
Net current assets			<u>15,535</u>		<u>8,005</u>
Net assets			<u><u>2,088,020</u></u>		<u><u>2,380,449</u></u>
Represented by:					
Permanent Endowment Fund			1,907,865		2,212,288
Unrestricted Fund			180,155		168,161
Total Funds	12		<u><u>2,088,020</u></u>		<u><u>2,380,449</u></u>

Approved by the Trustees on 28th September 2023

Mrs Janet M Clements
Chairman



The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2022

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts 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) published on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting

The Unrestricted Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised upon notification from our investment advisor of the dividend paid or payable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

The costs of raising funds consist of investment management and an apportionment of support and governance costs

The expenditure on charitable activities includes grants payable and an apportionment of support and governance costs.

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2022

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

The charity does not acquire or use put options, derivatives or other complex financial instruments.

2	Investment income	2022	2021
		£	£
	Interest received		
	Nat West	8	1
	Investec Wealth & Investment Ltd	223	-
	Investec portfolio	49,241	40,215
		49,472	40,216
3	Costs of raising funds	2022	2021
		£	£
	Investment management costs	17,495	18,161
	Support and governance costs (see note 5)	5,774	5,785
		23,269	23,946
4	Expenditure on charitable activities	2022	2021
		£	£
	Grants payable (see note 6)	14,382	22,857
	Support and governance costs (see note 5)	17,322	17,354
		31,704	40,211

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2022

5	Analysis of support and governance costs	2022	2021
		£	£
	Support costs		
	Staff costs (note 7)	17,160	17,160
	Travel and subsistence	226	-
	PO Box	372	358
	Storage rental	1,100	1,100
	Computer and website costs	-	395
	Bank charges	331	302
	Sundry expenses	145	254
		19,334	19,569
	Governance costs		
	Accountancy and independent examination	3,762	3,570
	Meeting expenses	-	-
		3,762	3,570
	Total	23,096	23,139
		£	£
	Allocated:		
	Costs of raising funds (25%) (note 3)	5,774	5,785
	Charitable activities (75%) (note 4)	17,322	17,354
		23,096	23,139
6	Grants payable	2022	2021
		£	£
	Paid to individuals	14,382	6,927
	Paid to institutions		
	- Alice's Escapes (charity no 1146011)	-	15,930
		14,382	22,857
7	Staff costs	2022	2021
		£	£
	Gross salaries	17,160	17,160
	Employer's national insurance	-	-
		17,160	17,160

The average number of employees during the year was 1 (2021: 1).

During the year, no Trustee received any remuneration or benefits in kind (2021: £nil). One trustee received reimbursement of expenses in the year of £226 (2021: £nil).

Total emoluments received by the charity's key management personnel was £17,160 (2021: £17,160).

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2022

8	Investments		Listed investments
	Market value		£
	At 1 January 2022		2,280,061
	Additions at cost		315,096
	Disposals at carrying value		(331,451)
	Net gain on revaluation		(242,516)
	At 31 December 2022		2,021,190
	Historical cost at 31 December 2022		1,793,495
	Listed investments at fair value comprised:	2022	2021
		£	£
	UK fixed interest	218,817	278,262
	Overseas fixed interest	131,604	101,806
	UK equities	507,931	607,758
	International equities	719,875	918,708
	Emerging economies	70,074	23,593
	Property	80,694	96,735
	Alternative assets	292,195	253,199
		2,021,190	2,280,061
9	Debtors	2022	2021
		£	£
	Prepayments	113	107
10	Cash balances	2022	2021
		£	£
	Nat West	20,167	32,366
11	Creditors: amounts falling due within one year	2022	2021
		£	£
	PAYE & NI	315	643
	Grants payable	-	15,000
	Accruals	4,430	3,000
		4,745	18,643

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2022

12 Movement in Funds	B/fwd at 1st Jan 2022	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2022
	£	£	£	£	£
Permanent Endowment Fund	2,212,288	-	(17,495)	(286,928)	1,907,865
Unrestricted Fund	168,161	49,472	(37,478)	-	180,155
	<u>2,380,449</u>	<u>49,472</u>	<u>(54,973)</u>	<u>(286,928)</u>	<u>2,088,020</u>
Movement in Funds	B/fwd at 1st Jan 2021	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2021
	£	£	£	£	£
Permanent Endowment Fund	2,024,509	-	(18,161)	205,940	2,212,288
Unrestricted Fund	173,941	40,216	(45,996)	-	168,161
	<u>2,198,450</u>	<u>40,216</u>	<u>(64,157)</u>	<u>205,940</u>	<u>2,380,449</u>

The unrestricted fund is available to be spent for any of the purposes of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

13 Analysis of Net Assets Between Funds	Endowment Fund	Unrestricted Fund	Total 2022
	£	£	£
Fixed assets investments	2,072,485	-	2,072,485
Cash at bank	-	20,167	20,167
Other current assets	(164,620)	159,988	(4,632)
At 31 December 2022	<u>1,907,865</u>	<u>180,155</u>	<u>2,088,020</u>
Analysis of Net Assets Between Funds	Permanent Endowment Fund	Unrestricted Fund	Total 2021
	£	£	£
Fixed assets investments	2,372,444	-	2,372,444
Cash at bank	-	26,541	26,541
Other current assets	(160,156)	141,620	(18,536)
At 31 December 2021	<u>2,212,288</u>	<u>168,161</u>	<u>2,380,449</u>

14 Related Party Transactions

There were no related party transactions in the year.

**The Friendly Societies Convalescent Scheme
Independent Examiner's Report to the Trustees
for the year ended 31 December 2022**

I report to the trustees on my examination of the accounts of Friendly Societies Convalescent Scheme (the charity) for the year ended 31 December 2022 which are set out on pages 4 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the trustees' accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have complete my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no matters and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Daniel Valentine ACA

Begbies
Unit 14, Park Barn
Evegate Business Park
Smeeth, Ashford
Kent
TN25 6SX

2/10/2023

FRIENDLY SOCIETIES' CONVALESCENT SCHEME

England & Wales - Charity number 226621

Accounts

Charity number 226621

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report and Accounts

31 December 2021

**The Friendly Societies Convalescent Scheme
Trustees' Report and Accounts
Contents**

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The Friendly Societies Convalescent Scheme

Reference and Administration Details

Trustees

Mrs Janet M. Clements - Chairman
Mrs Joanne Andrew (appointed 5 March 2021)
Mrs Dorothy Deacon
Mr Ken Demby (resigned 5 March 2021)
Mrs Janet Lewis (appointed 5 March 2021)
Mr John Potton
Mr Peter Saunders
Mr Basil Stanley
Mrs Angela Stanley

Independent Examiner

Mr Daniel Valentine ACA
Bebbies
Old Printers House
Stone Street
Cranbrook
TN17 3HF

Bankers

Nat West
140 High Street
Herne Bay
Kent
CT6 5JX

Solicitors

Bull and Bull
98 Thomas Way
Lakesview International Business Park
Hersden
Canterbury
CT3 4NH

Principal Address

PO Box 552
Ashford
Kent
TN23 9UT

Charity registered number

226621

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report for the year ended 31 December 2021

The Trustees present their report and accounts for the year ended 31 December 2021.

The Trustees confirm that the Annual Report and accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 FRS 102 applicable in the UK and Republic of Ireland published on 16 July 2014.

Structure, governance and management

The charity is set up by constitution and operated by the Board of Trustees. New trustees are interviewed and appointed by the Board.

Risk management

The Trustees have identified the major risks which the charity faces and consider that all necessary action has been taken to manage those risks.

Objectives and activities for the public benefit

The charity's original object was to provide convalescent treatment for members of friendly societies through its convalescent home in Herne Bay.

Following the sale of the charity's convalescent home in August 2010, the Trustees reviewed their objectives and activities with the Charity Commission and the charity's revised objects, under a scheme dated 20 May 2015, are the relief of sickness and the preservation of health of the public, in particular but not exclusively to assist members of Friendly Societies by providing grants to help in the provision of facilities and support services.

The Trustees confirm that they have continued to comply with their duty in Section 17 of the 2011 Charities Act to have due regard to the Charity Commission's public benefit guidance.

Grant making policy

The trustees' policy is to support any persons with financial grants towards the cost of convalescence. Applications must be supported by a medical report from a hospital or doctor supporting the need for a convalescent stay. The trustees will also consider a grant towards the cost of a carer staying with the patient on convalescence.

The trustees also provide grants towards the costs of a shortfall in convalescent claims to the Oddfellows and Foresters Friendly Societies. A system is in place through the Societies whereby the applications are approved following medical certification. From November 2020 the trustees will pay 100% of any shortfall up to £500 per week, up to 2 weeks per annum.

No claims have been refused. These claims require a medical certificate signed by a Doctor. The trustees continue to explore ways of extending the guest programme.

Trustees' report and financial review

In 2021 the country was still coming to terms with the effect of COVID on our way of life. Those who were considered clinically vulnerable did not relish going out and certainly not staying in unfamiliar surroundings. Even when convalescent homes re-opened they imposed stricter criteria on those guests going to stay, which meant that some simply preferred to convalesce in their home homes.

So, despite our best efforts to encourage guests to take opportunities to stay away from home the number of claims remained very low.

We continued to plan new and different ways of promoting ourselves and realise this will take a time to filter through.

In anticipation of an upsurge in demand and with interest rates very low we kept our rates at £500 per person per week, up to 2 weeks per annum. Looking at each case on an individual basis.

We supported Alice's escapes again with their scheme for convalescence for children.

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report for the year ended 31 December 2021

Total income for the year was £40,216 (2020: £42,268) and total expenditure was £64,157 (2020: £54,500). Net gains on investments amounted to £205,940 (2020: £11,922) resulting in net surplus for the year of £182,199 (2020: net deficit of £310). At 31 December 2021 total funds were £2,380,449 of which £168,161 were unrestricted.

Investment policy and performance

The management of the investment portfolio is governed not only by a Client Agreement Letter (September 2013) but also by a Written Investment Policy Statement ("WIPS") dated 31st July 2012. The WIPS can be summarised as follows:

The Trustees have chosen as their investment objective a Balanced return (between income and capital growth) and to maintain the capital value at least in line with inflation. An appropriate mix of assets within certain ranges has been agreed (as revised 10th July 2014).

In terms of risk, the Trustees have a moderate level of tolerance and have directed the Managers to have due regard for the suitability of the investments held and the need for diversification (including the stipulation that no non-collective investment should exceed 8% of the value of the portfolio).

The investment portfolio produced a total return of 10.7% net of fees (11.6% gross), compared to 12.5% for the benchmark in 2021. Global equity markets continued to see strong returns from their pandemic lows of March 2020. The road to recovery however was not a simple one and a number of unknowns caused concern for investors. These included questions around the economic implications of the then new Omicron variant, rising inflation, supply chain bottlenecks and their likely persistence and the outlook for central bankers moving to limit monetary support. Investec maintain their approach of diversifying across geographies and companies and believe that their philosophy of buying and holding high-quality companies will continue to offer excellent prospects for longer term investment growth.

Reserves policy

The Trustees are aware that the reserves are growing and are seeking more options to increase grants. Their aim is that 50% of their annual income should go towards grants, and that they should hold the income for 2 years in reserve to give continuity should their investments underperform.

Trustees' responsibilities

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

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report
for the year ended 31 December 2021

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. 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.

This report was approved by the Trustees on 20 October 2022

Mrs Janet M Clements
Chairman

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Statement of Financial Activities
for the year ended 31 December 2021

	Notes	Permanent Endowment Fund £	Unrestricted Fund £	Total 2021 £	Permanent Endowment Fund £	Unrestricted Fund £	Total 2020 £
Income from:							
Investments	2	-	40,216	40,216	-	42,268	42,268
Total income		-	40,216	40,216	-	42,268	42,268
Expenditure on:							
Raising funds	3	18,161	5,785	23,946	16,112	5,737	21,849
Charitable activities	4	-	40,211	40,211	-	32,651	32,651
Total expenditure		18,161	45,996	64,157	16,112	38,388	54,500
Net gains/(losses) on investment assets		205,940	-	205,940	11,922	-	11,922
Net income/(expenditure)		187,779	(5,780)	181,999	(4,190)	3,880	(310)
Transfers							
Transfers between funds		-	-	-	-	-	-
Net movement in funds		187,779	(5,780)	181,999	(4,190)	3,880	(310)
Reconciliation of Funds							
Total Funds at 1 January 2021		2,024,509	173,941	2,198,450	2,028,699	170,061	2,198,760
Total Funds at 31 December 2021		2,212,288	168,161	2,380,449	2,024,509	173,941	2,198,450

The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Balance Sheet
as at 31 December 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investments					
- Listed investments	8		2,280,061		2,156,313
- Cash held within portfolio			92,383		13,136
			<u>2,372,444</u>		<u>2,169,449</u>
Current assets					
Debtors	9	107		105	
Cash at bank	10	26,541		32,366	
		<u>26,648</u>		<u>32,471</u>	
Creditors: amounts falling due within one year	11	(18,643)		(3,470)	
Net current assets			<u>8,005</u>		<u>29,001</u>
Net assets			<u><u>2,380,449</u></u>		<u><u>2,198,450</u></u>
Represented by:					
Permanent Endowment Fund			2,212,288		2,024,509
Unrestricted Fund			168,161		173,941
Total Funds	12		<u><u>2,380,449</u></u>		<u><u>2,198,450</u></u>

Approved by the Trustees on 20 October 2022

Mrs Janet M Clements
Chairman

The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts 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) published on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting

The Unrestricted Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised upon notification from our investment advisor of the dividend paid or payable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

The costs of raising funds consist of investment management and an apportionment of support and governance costs

The expenditure on charitable activities includes grants payable and an apportionment of support and governance costs.

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2021

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

The charity does not acquire or use put options, derivatives or other complex financial instruments.

2	Investment income	2021	2020
		£	£
	Interest received		
	Nat West	1	73
	Investec portfolio	40,215	42,195
		40,216	42,268
3	Costs of raising funds	2021	2020
		£	£
	Investment management costs	18,161	16,112
	Support and governance costs (see note 5)	5,785	5,737
		23,946	21,849
4	Expenditure on charitable activities	2021	2020
		£	£
	Grants payable (see note 6)	22,857	15,439
	Support and governance costs (see note 5)	17,354	17,212
		40,211	32,651

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2021

5 Analysis of support and governance costs

	2021	2020
	£	£
Support costs		
Staff costs (note 7)	17,160	17,160
PO Box	358	348
Storage rental	1,100	1,100
Computer and website costs	395	-
Bank charges	302	323
Sundry expenses	254	692
	<u>19,569</u>	<u>19,623</u>
Governance costs		
Independent examination		
- Current year	3,000	3,000
- Prior year under provision	570	210
Meeting expenses	-	116
	<u>3,570</u>	<u>3,326</u>
Total	<u>23,139</u>	<u>22,949</u>
	2021	2020
	£	£
Allocated:		
Costs of raising funds (25%) (note 3)	5,785	5,737
Charitable activities (75%) (note 4)	17,354	17,212
	<u>23,139</u>	<u>22,949</u>

6 Grants payable	2021	2020
	£	£
Paid to individuals	6,927	15,439
Paid to institutions		
- Alice's Escapes (charity no 1146011)	15,930	-
	<u>22,857</u>	<u>15,439</u>

7 Staff costs	2021	2020
	£	£
Gross salaries	17,160	17,160
Employer's national insurance	-	-
	<u>17,160</u>	<u>17,160</u>

The average number of employees during the year was 1 (2020: 1).

During the year, no Trustee received any remuneration or benefits in kind (2020: £nil). No trustees received reimbursement of expenses in the year (2020: £nil)

Total emoluments received by the charity's key management personnel was £17,160 (2020: £17,160).

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2021

8	Investments		Listed investments
	Market value		£
	At 1 January 2021		2,156,313
	Additions at cost		405,842
	Disposals at carrying value		(477,439)
	Net gain on revaluation		195,345
	At 31 December 2021		<u>2,280,061</u>
	Historical cost at 31 December 2021		<u>1,693,641</u>
	Listed investments at fair value comprised:		
		2021	2020
		£	£
	UK fixed interest	278,262	320,466
	Overseas fixed interest	101,806	55,995
	UK equities	607,758	526,799
	International equities	918,708	797,242
	Emerging economies	23,593	70,217
	Property	96,735	71,724
	Alternative assets	253,199	188,870
	Money market instruments	-	125,000
		<u>2,280,061</u>	<u>2,156,313</u>
9	Debtors	2021	2020
		£	£
	Prepayments	107	105
10	Cash balances	2021	2020
		£	£
	Nat West	32,366	32,366
11	Creditors: amounts falling due within one year	2021	2020
		£	£
	PAYE & NI	643	470
	Grants payable	15,000	-
	Accruals	3,000	3,000
		<u>18,643</u>	<u>3,470</u>

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2021

12 Movement in Funds	B/fwd at 1st Jan 2021	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2021
	£	£	£	£	£
Permanent Endowment Fund	2,024,509	-	(18,161)	205,940	2,212,288
Unrestricted Fund	173,941	40,216	(45,996)	-	168,161
	2,198,450	40,216	(64,157)	205,940	2,380,449

Movement in Funds	B/fwd at 1st Jan 2020	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2020
	£	£	£	£	£
Permanent Endowment Fund	2,028,699	-	(16,112)	11,922	2,024,509
Unrestricted Fund	170,061	42,268	(38,388)	-	173,941
	2,198,760	42,268	(54,500)	11,922	2,198,450

The unrestricted fund is available to be spent for any of the purposes of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

13 Analysis of Net Assets Between Funds	Endowment Fund	Unrestricted Fund	Total 2021
	£	£	£
Fixed assets investments	2,372,444	-	2,372,444
Cash at bank	-	26,541	26,541
Other current assets	(160,156)	141,620	(18,536)
At 31 December 2021	2,212,288	168,161	2,380,449

Analysis of Net Assets Between Funds	Permanent Endowment Fund	Unrestricted Fund	Total 2020
	£	£	£
Fixed assets investments	2,169,449	-	2,169,449
Cash at bank	-	32,366	32,366
Other current assets	(144,940)	141,575	(3,365)
At 31 December 2020	2,024,509	173,941	2,198,450

14 Related Party Transactions

There were no related party transactions in the year.

**The Friendly Societies Convalescent Scheme
Independent Examiner's Report to the Trustees
for the year ended 31 December 2021**

I report to the trustees on my examination of the accounts of Friendly Societies Convalescent Scheme (the charity) for the year ended 31 December 2021 which are set out on pages 4 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the trustees' accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have complete my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no matters and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Daniel Valentine ACA

Begbies
Old Printers House
Stone Street
Cranbrook
Kent
TN17 3HF
20 October 2022

FRIENDLY SOCIETIES' CONVALESCENT SCHEME

England & Wales - Charity number 226621

Accounts

Charity number 226621

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report and Accounts

31 December 2020

**The Friendly Societies Convalescent Scheme
Trustees' Report and Accounts
Contents**

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The Friendly Societies Convalescent Scheme

Reference and Administration Details

Trustees

Mrs Janet M. Clements - Chairman
Mrs Jo Andrew (appointed 5 March 2021)
Mrs Dorothy Deacon
Mr Ken Demby (resigned 5 March 2021)
Mrs Janet Lewis (appointed 5 March 2021)
Mr John Potton
Mr Peter Saunders
Mr Basil Stanley
Mrs Angela Stanley

Independent Examiner

Mr Daniel Valentine ACA
Bebbies
Old Printers House
Stone Street
Cranbrook
TN17 3HF

Bankers

Nat West
140 High Street
Herne Bay
Kent
CT6 5JX

Solicitors

Bull and Bull
98 Thomas Way
Lakesview International Business Park
Hersden
Canterbury
CT3 4NH

Principal Address

PO Box 552
Ashford
Kent
TN23 9UT

Charity registered number

226621

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report
for the year ended 31 December 2020

The Trustees present their report and accounts for the year ended 31 December 2020.

The Trustees confirm that the Annual Report and accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's governing document, 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 FRS 102 applicable in the UK and Republic of Ireland published on 16 July 2014.

Structure, governance and management

The charity is set up by constitution and operated by the Board of Trustees. New trustees are interviewed and appointed by the Board.

Risk management

The Trustees have identified the major risks which the charity faces and consider that all necessary action has been taken to manage those risks.

Objectives and activities for the public benefit

The charity's original object was to provide convalescent treatment for members of friendly societies through its convalescent home in Herne Bay.

Following the sale of the charity's convalescent home in August 2010, the Trustees reviewed their objectives and activities with the Charity Commission and the charity's revised objects, under a scheme dated 20 May 2015, are the relief of sickness and the preservation of health of the public, in particular but not exclusively to assist members of Friendly Societies by providing grants to help in the provision of facilities and support services.

The Trustees confirm that they have continued to comply with their duty in Section 17 of the 2011 Charities Act to have due regard to the Charity Commission's public benefit guidance.

Grant making policy

The trustees' policy is to support any persons with financial grants towards the cost of convalescence. Applications must be supported by a medical report from a hospital or doctor supporting the need for a convalescent stay. The trustees will also consider a grant towards the cost of a carer staying with the patient on convalescence.

The trustees also provide grants towards the costs of a shortfall in convalescent claims to the Oddfellows and Foresters Friendly Societies. A system is place through the Societies whereby the applications are approved following medical certification. From November 2020 the trustees will pay 100% of any shortfall up to £500 per week, up to 2 weeks per annum.

No claims have been refused. These claims require a medical certificate signed by a Doctor. The trustees continue to explore ways of extending the guest programme.

Trustees' report and financial review

The much used phrase unprecedented times applied to convalescence as much as any other sphere, with people in lockdown and not able to leave their homes. This meant grants were significantly down and we used this time to review how we conducted our Board meetings. We decided to meet via Zoom whilst that that at first seemed a disadvantage we realised it opened up who could be invited onto the Board and we invited Janet Lewis from Stoke on Trent and Jo Andrew from Manchester, who having attended in 2020 were confirmed in 2021. This enabled Ken Demby to stand down in 2021 due to ill health and we acknowledge with thanks the many years he served on the Board of Trustees.

The Friendly Societies Convalescent Scheme (formerly The Friendly Societies Convalescent Home)

Trustees' Report **for the year ended 31 December 2020**

We continue to improve our support for convalescence and now pay up to £500 per week for two weeks in any calendar year. We must however have our simple Doctors certificate completed and if a charge is made by the Doctor, we will reimburse up to £25.

Although we support our two friendly societies, the Oddfellows and Foresters it is good to see a continued increase in applications from outside of these Societies.

We were approached by Alice's Escapes, which is a children's charity providing convalescence in the Lake District for families with children who are ill or where the family have been bereaved. We decided to give a grant as our claims had been so low this year.

Total income for the year was £42,268 (2019: £53,450) and total expenditure was £54,500 (2019: £57,729). Net gains on investments amounted to £11,922 (2019: £258,083) resulting in net expenditure for the year of £310 (2019: net income of £253,804). At 31 December 2020 total funds were £2,198,450, of which £173,941 were unrestricted.

Investment policy and performance

The management of the investment portfolio is governed not only by a Client Agreement Letter (September 2013) but also by a Written Investment Policy Statement ("WIPS") dated 31st July 2012. The WIPS can be summarised as follows:

The Trustees have chosen as their investment objective a Balanced return (between income and capital growth) and to maintain the capital value at least in line with inflation. An appropriate mix of assets within certain ranges has been agreed (as revised 10th July 2014).

In terms of risk, the Trustees have a moderate level of tolerance and have directed the Managers to have due regard for the suitability of the investments held and the need for diversification (including the stipulation that no non-collective investment should exceed 8% of the value of the portfolio).

The investment portfolio has produced a total return of 1.6% net of fees, compared to 1.2% for the benchmark over the past year. These relatively small moves belie the reality of a year enormously impacted by Covid-19.

Last year started positively with expectations of economic activity finally starting to accelerate after years of sluggish growth. However, by the end of February it became apparent that Covid-19 was spreading rapidly around the world, with no known cure, and market hopes of recovery turned to fears of a global recession.

Investment markets reacted sharply, reaching a low point on 23rd March before starting to rally as financial authorities responded quickly by keeping interest rates low and injecting a large amount of liquidity through quantitative easing or central bank buying of bonds. In addition Governments took unprecedented direct action, like furlough schemes, to protect jobs and help real economies contain the detrimental impacts of lockdowns and social distancing

Sectors like retail, travel and leisure were significantly adversely affected by the pandemic, but other parts of the economy benefitted, like the stay at home stocks (Amazon, Tesco, Google, Netflix etc). Then in November it became apparent that Pfizer had produced an effective vaccine and poorly performing stocks rallied and those that had benefitted sold off. Given the level of volatility, it is reassuring that the portfolio produced a small positive return for the year and slightly outperformed its benchmark.

At an asset class level, the fixed interest proportion rose by 3.0% over the year, compared to the Bank of America Merrill Lynch bond indices which rose by between 1.7% for inflation linked bonds and 8.7% for Corporate and collateralized debt. However, there were two distinct periods. The safety of government securities were initially sought and UK Government Securities rose by 6.3%, whereas corporate bonds fell and the fixed interest proportion of the portfolio fell by -5.8% in Q1. But then, in the remaining 9 months of the year they rallied and the fixed interest proportion gained 9.4%,

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Trustees' Report
for the year ended 31 December 2020

The portfolio was much in line with the indices in UK and overseas equities, but the more cyclically and Brexit exposed UK market fell by -9.8%, whereas overseas markets gained 14.2%, benefiting from higher weightings to positively impacted sectors like technology and continued strong growth in China. The portfolio was underweight in UK equities and overweight in overseas equities, helping counter the divergence in returns between the two areas.

The fund only has a 3% weighting to property, but property fund prices were very weak as the pandemic impacted demand for both retail and office property, although distribution warehouses benefitted. Conversely the 8% weighting to alternatives performed much better, more than offsetting the weakness in property, with the macro hedge funds, infrastructure funds and gold all performing well.

Looking forward, the rate of trajectory of economic recovery is uncertain, but the direction of travel for a strong improvement in economic activity is realistically probable. Therefore markets have been willing to look towards a more optimistic future although it is possible that a strong recovery could, at least temporarily, increase inflation.

Reserves policy

The Trustees are aware that the reserves are growing and are seeking more options to increase grants. Their aim is that 50% of their annual income should go towards grants, and that they should hold the income for 2 years in reserve to give continuity should their investments underperform.

Trustees' responsibilities

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

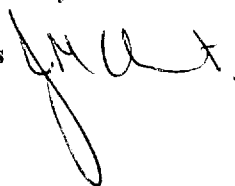
Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these accounts, the Trustees are required to:

- 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;
- prepare the accounts 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 disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. 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.

This report was approved by the Trustees on 4 June 2021

Mrs Janet M Clements
Chairman



The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Statement of Financial Activities
for the year ended 31 December 2020

	Notes	Permanent Endowment Fund £	Unrestricted Fund £	Total 2020 £	Permanent Endowment Fund £	Unrestricted Fund £	Total 2019 £
Income from:							
Investments	2	-	42,268	42,268	-	53,450	53,450
Total income		-	42,268	42,268	-	53,450	53,450
Expenditure on:							
Raising funds	3	16,112	5,737	21,849	16,522	5,749	22,271
Charitable activities	4	-	32,651	32,651	-	35,458	35,458
Total expenditure		16,112	38,388	54,500	16,522	41,207	57,729
Net gains/(losses) on investment assets		11,922	-	11,922	258,083	-	258,083
Net income/(expenditure)		(4,190)	3,880	(310)	241,561	12,243	253,804
Transfers							
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(4,190)	3,880	(310)	241,561	12,243	253,804
Reconciliation of Funds							
Total Funds at 1 January 2020		2,028,699	170,061	2,198,760	1,787,138	157,818	1,944,956
Total Funds at 31 December 2020		2,024,509	173,941	2,198,450	2,028,699	170,061	2,198,760

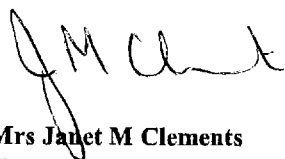
The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
(formerly The Friendly Societies Convalescent Home)

Balance Sheet
as at 31 December 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Investments					
- Listed investments	8		2,156,313		2,103,900
- Cash held within portfolio			<u>13,136</u>		<u>22</u>
			2,169,449		2,103,922
Current assets					
Debtors	9	105		100	
Cash at bank	10	<u>32,366</u>		<u>99,384</u>	
		32,471		99,484	
Creditors: amounts falling due within one year	11	(3,470)		(4,646)	
Net current assets			<u>29,001</u>		<u>94,838</u>
Net assets			<u><u>2,198,450</u></u>		<u><u>2,198,760</u></u>
Represented by:					
Permanent Endowment Fund			2,024,509		2,028,699
Unrestricted Fund			173,941		170,061
Total Funds	12		<u><u>2,198,450</u></u>		<u><u>2,198,760</u></u>

Approved by the Trustees on 4 June 2021



Mrs Janet M Clements
Chairman

The Notes to the Accounts form part of the Financial Statements

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2020

1 Accounting policies

Basis of preparation and assessment of going concern

The accounts 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) published on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting

The Unrestricted Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised upon notification from our investment advisor of the dividend paid or payable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer, this is accrued once the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

The costs of raising funds consist of investment management and an apportionment of support and governance costs

The expenditure on charitable activities includes grants payable and an apportionment of support and governance costs.

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2020

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

The charity does not acquire or use put options, derivatives or other complex financial instruments.

2 Investment income	2020	2019
	£	£
Interest received		
Nat West	73	148
Investec portfolio	<u>42,195</u>	<u>53,302</u>
	<u>42,268</u>	<u>53,450</u>
3 Costs of raising funds	2020	2019
	£	£
Investment management costs	16,112	16,522
Support and governance costs (see note 5)	<u>5,737</u>	<u>5,749</u>
	<u>21,849</u>	<u>22,271</u>
4 Expenditure on charitable activities	2020	2019
	£	£
Grants payable (see note 6)	15,439	18,210
Support and governance costs (see note 5)	<u>17,212</u>	<u>17,248</u>
	<u>32,651</u>	<u>35,458</u>

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
 for the year ended 31 December 2020

5 Analysis of support and governance costs

	2020	2019
	£	£
Support costs		
Staff costs (note 7)	17,160	17,160
PO Box	348	337
Storage rental	1,100	1,100
Bank charges	323	410
Sundry expenses	692	328
	<u>19,623</u>	<u>19,335</u>
Governance costs		
Independent examination		
- Current year	3,000	3,000
- Prior year under provision	210	(30)
Trustees' expenses	-	216
Meeting expenses	116	476
	<u>3,326</u>	<u>3,662</u>
Total	<u><u>22,949</u></u>	<u><u>22,997</u></u>
	2020	2019
	£	£
Allocated:		
Costs of raising funds (25%) (note 3)	5,737	5,749
Charitable activities (75%) (note 4)	17,212	17,248
	<u>22,949</u>	<u>22,997</u>

6 Grants payable

Total grants payable in 2020 were £15,439 (2019: £18,210). There were 10 grants in the year (2019: 60), of which 9, totalling £5,439 (largest £1,000), were paid to individuals.

7 Staff costs

	2020	2019
	£	£
Gross salaries	17,160	17,160
Employer's national insurance	-	-
	<u>17,160</u>	<u>17,160</u>

The average number of employees during the year was 1 (2019: 1).

During the year, no Trustee received any remuneration or benefits in kind (2019: £nil). No trustees received reimbursement of expenses in the year (2019: six trustees - £216)

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
 for the year ended 31 December 2020

8 Investments		Listed
		investments
Market value		£
At 1 January 2020		2,103,900
Additions at cost		468,802
Disposals at carrying value		(509,857)
Net gain on revaluation		93,468
At 31 December 2020		<u>2,156,313</u>
Historical cost at 31 December 2020		<u>1,659,086</u>
Listed investments at fair value comprised:	2020	2019
	£	£
UK fixed interest	320,466	360,964
Overseas fixed interest	55,995	57,072
UK equities	526,799	613,418
International equities	797,242	642,494
Emerging economies	70,217	77,594
Property	71,724	97,151
Alternative assets	188,870	255,207
Money market instruments	125,000	-
	<u>2,156,313</u>	<u>2,103,900</u>
Individual investment holdings amounting to more than 5% of the above total.		
Goldman Sachs Am Sterling Lqd Reserves (Instl) Nav	<u>125,000</u>	<u>-</u>
9 Debtors	2020	2019
	£	£
Prepayments	<u>105</u>	<u>100</u>
10 Cash balances	2020	2019
	£	£
Nat West	<u>32,366</u>	<u>99,384</u>
11 Creditors: amounts falling due within one year	2020	2019
	£	£
PAYE & NI	470	316
Accruals	<u>3,000</u>	<u>4,330</u>
	<u>3,470</u>	<u>4,646</u>

The Friendly Societies Convalescent Scheme
 (formerly The Friendly Societies Convalescent Home)
Notes to the Accounts
for the year ended 31 December 2020

12 Movement in Funds	B/fwd at 1st Jan 2020	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2020
	£	£	£	£	£
Permanent Endowment Fund	2,028,699	-	(16,112)	11,922	2,024,509
Unrestricted Fund	170,061	42,268	(38,388)	-	173,941
	<u>2,198,760</u>	<u>42,268</u>	<u>(54,500)</u>	<u>11,922</u>	<u>2,198,450</u>

Movement in Funds	B/fwd at 1st Jan 2019	Income	Expenditure	Gains & (losses)	C/fwd at 31st Dec 2019
	£	£	£	£	£
Permanent Endowment Fund	1,787,138	-	(16,522)	258,083	2,028,699
Unrestricted Fund	157,818	53,450	(41,207)	-	170,061
	<u>1,944,956</u>	<u>53,450</u>	<u>(57,729)</u>	<u>258,083</u>	<u>2,198,760</u>

The unrestricted fund is available to be spent for any of the purposes of the charity.

The Permanent Endowment Fund derives from the sale proceeds of the convalescent home. The Charity Commission lifted the restriction over the sale of the home, permitting its sale, and as a result the proceeds continue to carry the permanent requirement originally attached to the property.

13 Analysis of Net Assets Between Funds	Endowment Fund	Unrestricted Fund	Total 2020
	£	£	£
Fixed assets investments	2,169,449	-	2,169,449
Cash at bank	-	32,366	32,366
Other current assets	(144,940)	141,575	(3,365)
At 31 December 2020	<u>2,024,509</u>	<u>173,941</u>	<u>2,198,450</u>

Analysis of Net Assets Between Funds	Permanent Endowment Fund	Unrestricted Fund	Total 2019
	£	£	£
Fixed assets investments	2,103,922	-	2,103,922
Cash at bank	-	99,384	99,384
Other current assets	(75,223)	70,677	(4,546)
At 31 December 2019	<u>2,028,699</u>	<u>170,061</u>	<u>2,198,760</u>

14 Related Party Transactions

There were no related party transactions in the year.

**The Friendly Societies Convalescent Scheme
Independent Examiner's Report to the Trustees
for the year ended 31 December 2020**

I report to the trustees on my examination of the accounts of Friendly Societies Convalescent Scheme (the charity) for the year ended 31 December 2020 which are set out on pages 4 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the trustees' accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have complete my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no matters and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Daniel Valentine ACA

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20/9/2021