

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 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

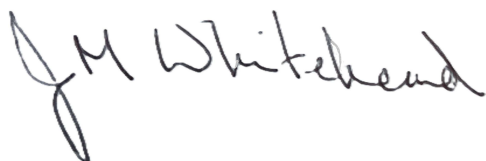
The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

A handwritten signature in dark ink, appearing to read 'J M Whitehead', written in a cursive style.

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

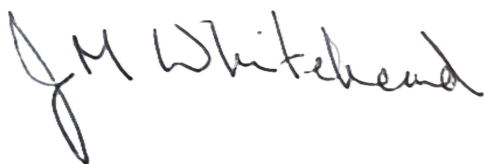
The Notes to the Accounts form part of the Financial Statements

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>
			2,273,147		2,169,597
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	(4,747)		(7,216)	
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 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 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><u>22,093</u></u>	<u><u>25,155</u></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><u>22,093</u></u>	<u><u>25,155</u></u>

6 Grants payable

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

7 Staff costs

	2024	2023
	£	£
Gross salaries	17,160	17,160
Employer's national insurance	-	-
	<u><u>17,160</u></u>	<u><u>17,160</u></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		2,235,516
	Historical cost at 31 December 2024		2,026,212
	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	-
		2,235,516	2,142,059
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
		4,747	7,216

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
	2,169,423	51,320	(51,301)	115,220	2,284,662

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

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	2,073,270	211,392	2,284,662

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	1,975,988	193,435	2,169,423

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
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TN25 6SX
6 October 2025